



**MARJORIE KELLY**  
Interim Director

# **County of Los Angeles**

## **DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

425 Shatto Place -- Los Angeles, California 90020  
(213) 351-5602

Board of Supervisors

**GLORIA MOLINA**  
First District

**YVONNE BRATHWAITE BURKE**  
Second District

**ZEV YAROSLAVSKY**  
Third District

**DON KNABE**  
Fourth District

**MICHAEL D. ANTONOVICH**  
Fifth District

November 26, 2002

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**REQUEST FOR APPROVAL OF THREE AMENDMENTS WITH THREE  
VENDORS FOR COMPUTER ASSISTANCE TECHNICIAN SERVICES (CATS)  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**CIO RECOMMENDATION: APPROVE ( X )    APPROVE WITH MODIFICATION (   )  
DISAPPROVE (   )**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chair to execute Amendment Two to Agreement Number 72542 and extend the expiration date of the CATS Agreement with Spherion Pacific Enterprises LLC (Spherion), for a period of six months from January 1, 2003 through June 30, 2003. The Maximum Contract Sum for Amendment Two is \$585,648 and is funded at 55% (\$322,106) Federal, 32% (\$187,407) State, and 13% (\$76,134) County funds. Funding is included in the FY 2002-03 Adopted Budget.
2. Approve and instruct the Chair to execute Amendment Three to Agreement Number 72543 and extend the expiration date of the CATS Agreement with Richard Fu (Fu), for a period of six months from January 1, 2003 through June 30, 2003. The Maximum Contract Sum for Amendment Three is \$358,440 and is funded at 55% (\$197,142) Federal, 32% (\$114,701) State, and 13% (\$46,597) County funds. Funding is included in the FY 2002-03 Adopted Budget.

3. Approve and instruct the Chair to execute Amendment Two to Agreement Number 72545 and extend the expiration date of the CATS Agreement with IsComp Systems Inc. (IsComp), for a period of six months from January 1, 2003 through June 30, 2003. The Maximum Contract Sum for Amendment Two is \$472,104 and is funded at 55% (\$259,657) Federal, 32% (\$151,073) State, and 13% (\$61,374) County funds. Funding is included in the FY 2002-03 Adopted Budget.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

The purpose of the amendments as stated in recommended actions numbers 1, 2, and 3 is to provide a short-term solution to the department's on-going, on-site computer application support needs. To provide a long-term solution, DCFS reviewed various business options and determined that transitioning from contractor provided services to use of in-house staff is the most cost-effective solution. Extensions of the current Agreements will ensure continuity of services until such time as the transition of these responsibilities to in-house staff is accomplished.

### **Implementation of Strategic Plan Goals**

The recommended actions are consistent with the principles of the Countywide Strategic Plan Goals as they increase DCFS Children's Social Workers usage of the statewide mandated Child Welfare Services/Case Management System (CWS/CMS) and other County computer applications (Goal #1-Service Excellence, Strategy #2-Design Seamless "One County" Service Delivery Systems); increase consistency and level of computer support staff's and Children's Social Workers' technical skills (Goal #2-Workforce Excellence, Strategy #1-Recruit, develop and retain dedicated and productive employees); improve Children's Social Workers' effectiveness through use of technology (Goal #3-Organizational Effectiveness, Strategy #2-Improve Internal Operations); and efficiently resolve information technology problems to ensure Children's Social Workers and other County department approved workers' access to CWS/CMS, and other integrated service computer applications (Goal #5-Children and Families' Well-Being, Strategy #1-Coordinate, Collaborate and Integrate Services for Children and Families Across Functional and Jurisdictional Boundaries).

### **FISCAL IMPACT/FINANCING**

#### **Agreement Number 72542 (Spherion)**

The Maximum Contract Sum for Amendment Two is \$585,648 and is funded at 55% (\$322,106) Federal, 32% (\$187,407) State, and 13% (\$76,134) County funds. Funding is included in the FY 2002-03 Adopted Budget.

Agreement Number 72543 (Fu)

The Maximum Contract Sum for Amendment Three is \$358,440 and is funded at 55% (\$197,142) Federal, 32% (\$114,701) State, and 13% (\$46,597) County funds. Funding is included in the FY 2002-03 Adopted Budget.

Agreement Number 72545 (IsComp)

The Maximum Contract Sum for Amendment Two is \$472,104 and is funded at 55% (\$259,657) Federal, 32% (\$151,073) State, and 13% (\$61,374) County funds. Funding is included in the FY 2002-03 Adopted Budget.

The performance of services under these Agreements is contingent upon receipt of State and Federal funding approval.

There is no negative fiscal impact resulting from the extension and/or execution of these Agreements. However, non-approval of the Amendments will greatly increase the possibility of disruption in use of CWS/CMS by Children Social Workers and could result in a significant reduction in the quality of service provided by DCFS.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On December 7, 1999, your Board approved Agreement Number 72542 with Interim Pacific Enterprises LLC, a Delaware limited liability company; Agreement Number 72543 with Wareforce.com, Inc., a Nevada corporation; and Agreement Number 72545 with IsComp Systems Inc., a California corporation. Each Agreement provisioned DCFS with CATS from January 1, 2000 to December 31, 2000 with options by the Director of DCFS to extend each Agreement for up to two one-year periods

Amendment One to each of the aforementioned Agreements clarified and exercised the first option renewal period from January 1, 2001 to December 31, 2001 and updated the name of the County's Project Director. On December 1, 2001, the Director of DCFS exercised the second option renewal period from January 1, 2002 to December 31, 2002 for all of the aforementioned Agreements.

Agreement Number 72542

On July 7, 2000, Interim Pacific Enterprises LLC changed their name to Spherion Pacific Enterprises LLC. A change notice reflecting this name change has been executed pursuant to Subsection 2.8.1 of the Agreement.

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Agreement Number 72543

On July 30, 2002, your Board approved Amendment Two to Agreement Number 72543 and consented to the assignment of the contract from Wareforce.com, Inc. to Richard Fu.

Agreement Number 72545

Other than Amendment One, there have been no other changes or amendments to Agreement Number 72545.

With the execution of these extensions, the three Agreements will contain the County required language for Events of Default, Insurance Coverage Requirements, Contractor Responsibility and Disbarment, Use of Recycled Paper, Child Abuse Prevention Reporting, Community Business Enterprise Program, and Compliance with Jury Services Program.

**CONTRACTING PROCESS**

DCFS has determined that the Living Wage Program (County Code Chapter 2.201) does not apply to the recommended Agreements since each is temporary and accordingly not subject to the provisions of Prop A and its implementing ordinance, County Code Chapter 2.121.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the Amendments will prevent disruption of use of CWS/CMS and other computer-applications and allow DCFS the time necessary to accomplish the transition from contract services to in-house staff.

Extension and execution of the Amendments will not result in the unauthorized disclosure of confidential information and is in full compliance with all Federal, State and County regulations.

**CONCLUSION**

Upon approval and execution by your Board, it is requested that the Executive Office/Clerk of the Board send one (1) copy of the adopted Board Letter and one (1) copy of each executed Amendment and Agreement to:

1. Department of Children and Family Services, Bureau of Information Services, Contract Manager, 4060 Watson Plaza Drive, Lakewood, California 90712.

2. Department of Children and Family Services, Contract Management Services, 425 Shatto Place, Room 205, Los Angeles, California 90020.
3. Office of the County Counsel, Children's Services Division, Kathleen D. Felice, Senior Deputy County Counsel, 201 Centre Plaza Drive, Monterey Park, California 91754-2143.
4. Office of the County Counsel, Hall of Administration, Room 606, John L. Geiger, Senior Deputy County Counsel, 500 W. Temple Street, Los Angeles, California 90012.

It is requested that the Executive Office/Clerk of the Board send one (1) copy of the adopted Board Letter and the applicable executed Amendment or Agreement to:

1. Amendment Two to Agreement Number 72542: Spherion Pacific Enterprises LLC, Attn. Wayne Mincey, President, and Sean Ebner, Managing Director, 10 Universal City Plaza, Suite 1740, Los Angeles, California 91608.
2. Amendment Three to Agreement Number 72543: Richard Fu, 5601 East Slauson Avenue, Unit 203, Commerce, California 90040.
3. Amendment Two to Agreement Number 72545: IsComp Systems, Inc., Attn. Ted Davis, President, 5777 West Century Boulevard, Suite 560 Los Angeles, California 90045

Respectfully submitted,

Reviewed by:

MARJORIE KELLY  
Interim Director

JON W. FULLINWIDER  
Chief Information Officer

MK:sd

Attachments (3)

c: Chief Administrative Office  
County Counsel  
Auditor-Controller

**AMENDMENT TWO TO AGREEMENT NUMBER 72542**  
**BETWEEN THE COUNTY OF LOS ANGELES AND**  
**SPHERION PACIFIC ENTERPRISES LLC**  
**EXTENDING THE TERM OF THE AGREEMENT FOR**  
**COMPUTER ASSISTANT TECHNICIAN SERVICES**

**COUNTY OF LOS ANGELES**  
**Department of Children and Family Services**  
**425 Shatto Place**  
**Los Angeles, CA 90020**

**November 2002**

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**AMENDMENT TWO TO AGREEMENT NUMBER 72542  
BETWEEN THE COUNTY OF LOS ANGELES AND SPHERION PACIFIC  
ENTERPRISES LLC EXTENDING THE TERM OF THE AGREEMENT  
FOR COMPUTER ASSISTANT TECHNICIAN SERVICES**

This Amendment Two to Agreement Number 72542 between the County of Los Angeles and Spherion Pacific Enterprises LLC, a Delaware limited liability company, for Computer Assistant Technician Services (hereinafter referred to as "CATS"), adopted by the Board of Supervisors on December 7, 1999 and as amended by Amendment One dated January 1, 2001, is entered into by and between the County of Los Angeles and Spherion Pacific Enterprises LLC as of the Amendment Two Effective Date.

WHEREAS, in accordance with the terms and conditions of the Agreement, Spherion Pacific Enterprises LLC, a Delaware limited liability company (hereinafter referred to as "CONTRACTOR") has been providing CATS to the County of Los Angeles (hereinafter referred to as "COUNTY"); and

WHEREAS, COUNTY has a continued need for the services to be provided pursuant to the above referenced Agreement; and

WHEREAS, it is the intent of the parties hereto to amend the Agreement to extend its term and to make the changes described hereinafter; and

WHEREAS, COUNTY and CONTRACTOR agree to the terms of this Amendment Two to Agreement Number 72542;

NOW THEREFORE, pursuant to Section 2.8 (Changes and Amendments) of the Agreement, COUNTY and CONTRACTOR hereby agree to amend the Agreement as follows:

**1. Section 1.0, APPLICABLE DOCUMENTS, restates in its entirety Subsection 1.1 as follows:**

1.1 This Agreement Number 72542, as amended by Amendments One and Two, and the Exhibits hereto (hereinafter collectively referred to as the "Agreement"), constitutes the complete and exclusive statement of understanding between the parties, which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Agreement.

1.1.1 Exhibits A, B, C, D, E, F, G, H, I and J set forth below are attached to and incorporated by reference in this Agreement.

1.1.2 In the event of any conflict in the definition or interpretation of any word, responsibility, service, schedule, or contents of a deliverable product between this Agreement and Exhibits, or among Exhibits, said conflict or inconsistency shall be resolved by giving



precedence first to the Agreement, and then to the Exhibits according to the following priority:

Exhibit A	- Statement of Work
Exhibit B	- Pricing Schedule
Exhibit B-1	- Line Item Budget
Exhibit C	- Contractor's Equal Employment (EEO) Certification
Exhibit D	- Community Business Enterprise (CBE) Form
Exhibit E	- Child Support Compliance Certification
Exhibit F	- Employee Acknowledgment and Confidentiality Agreement
Exhibit G	- Auditor-Controller Contract Accounting and Administration Handbook
Exhibit H	- Earned Income Credit Notice
Exhibit I	- Jury Service Program Certification
Exhibit J	- Los Angeles County Code 2.203 (Jury Service Program)

**2. Section 2.6, CONTRACTOR's Program Manager, restates in its entirety Subsection 2.6.1 as follows:**

2.6.1 CONTRACTOR's Program Manager shall be the following person:

Spherion Pacific Enterprises LLC  
Kevin Lareau, Program Manager  
10 Universal City Plaza, Suite 1740  
Los Angeles, California 91608  
Phone Number: (818) 623-9700 x4014  
Fax Number: (818) 506-1303  
Email: kevinlareau@spherion.com

**3. Section 2.8, CHANGES AND AMENDMENTS, is restated in its entirety as follows:**

**2.8 CHANGES AND AMENDMENTS**

The COUNTY reserves the right to change any portion of the work required under this Agreement, or make amendment to such other terms and conditions as may become necessary or reasonable. Any such revisions shall be accomplished in the following manner:

2.8.1 For any change which does not affect the period of performance, Maximum Contract Sum, Maximum Annual Contract Sum or payments, and which does not materially alter any term or condition included in this Agreement, an amendment shall be prepared, and

signed by CONTRACTOR and the Director. Approval of County Counsel must be obtained for any changes that affect the scope of work.

2.8.2 For any change which affects the period of performance, Maximum Contract Sum, Maximum Annual Contract Sum or payments, or which materially alters any other term or condition in this Agreement, a written amendment shall be prepared, signed by the CONTRACTOR, and thereafter submitted to COUNTY's Board of Supervisors for consideration and, if approved, execution.

2.8.3 For purposes of Sections 2.8.1 and 2.8.2, a change materially alters a term or condition included in this Agreement if it: (1) is significant as to price, quantity, quality or delivery when contrasted with the total costs or scope of the services being procured; (2) alters minimum requirements for prospective bidders, proposers or negotiating entities for this Agreement; or (3) would result in a change in the Maximum Contract Sum or Maximum Annual Contract Sum set forth in Section 5.0 of this Agreement.

**4. Section 3.0, CONTRACTOR'S SERVICES, restates in their entirety Subsections 3.1 and 3.3 as follows:**

3.1 Pursuant to the provisions of this Agreement, CONTRACTOR shall provide COUNTY with CATS as defined herein and as more fully set forth in Exhibit A, Statement of Work.

3.3 If the CONTRACTOR provides any tasks, Deliverables, goods, services, or other work, other than as specified in this Agreement, the same shall be deemed to be a gratuitous effort on the part of the CONTRACTOR, and the CONTRACTOR shall have no claim whatsoever against the COUNTY.

**5. Section 4.0, TERM AND TERMINATION, adds Subsection 4.2 as follows:**

4.2 Amendment Two shall extend the term of the Agreement by six (6) months following the expiration of the second optional renewal period on December 31, 2002. The extended term shall commence on January 1, 2003 or date of approval by COUNTY Board of Supervisors, whichever is later (the "Amendment Two Effective Date"), and shall continue through June 30, 2003, unless terminated earlier as provided herein. The Effective Date of Amendment Two shall be the date of approval by COUNTY Board of Supervisors.

**6. Section 5.0, CONTRACT SUM, adds Subsections 5.1, 5.2, 5.3, 5.4 and 5.5 as follows:**

- 5.1 COUNTY and CONTRACTOR agree that this is a firm-fixed price contract. During the term of this Agreement, COUNTY shall compensate CONTRACTOR for the services set forth in Exhibit A, Statement of Work, and at the rate of compensation set forth in Exhibit B, Pricing Schedule.
- 5.2 The maximum amount payable under this Agreement for the Amendment Two extension period shall not exceed Five Hundred Eighty Five Thousand Six Hundred Forty Eight Dollars (\$585,648), Maximum Annual Contract Sum.
- 5.3 CONTRACTOR has prepared and submitted to COUNTY a budget segregating direct and indirect costs and profit for the work to be performed by CONTRACTOR under this Agreement. Budgeted expenses shall be reduced by applicable CONTRACTOR revenues, which are identified thereon. The line items shall provide sufficient detail to determine the quality and quantity of services to be delivered. This budget is attached hereto and incorporated by reference herein as Exhibit B-1, Budget. CONTRACTOR represents and warrants that the Budget is true and correct in all respects, and services shall be delivered hereunder in accordance with the Budget.
- 5.4 The Maximum Annual Contract Sum shall not exceed Five Hundred Eighty Five Thousand Six Hundred Forty Eight Dollars (\$585,648) for the contract period from January 1, 2003 through June 30, 2003.
- 5.5 COUNTY has no obligation to pay for expenditures by CONTRACTOR that exceed the Maximum Annual Contract Sum.

**7. Section 6.0, PAYMENTS AND INVOICES, restates in its entirety Subsection 6.9, and adds Subsections 6.10 and 6.11 as follows:**

- 6.9 CONTRACTOR is responsible for the accuracy of invoices submitted to COUNTY. Further, it is the responsibility of CONTRACTOR to reconcile or otherwise correct inaccuracies or inconsistencies in the invoices submitted by CONTRACTOR and to notify COUNTY of any overpayments received by CONTRACTOR. Overpayment received by CONTRACTOR, as verified by DCFS' Program Manager, or designee, shall be returned to COUNTY by CONTRACTOR within thirty (30) days of receiving notification of such overpayment, or will be set off against future payments due CONTRACTOR. Notwithstanding any other provision of this Agreement, CONTRACTOR shall return to COUNTY any and all payments that exceed the Maximum Contract Sum or Maximum Annual Contract Sum. Furthermore, CONTRACTOR shall return said payments within thirty (30) days of receiving notification of overpayment from the COUNTY or immediately upon discovering such overpayment, whichever date is earlier.

6.10 CONTRACTOR shall not be paid for expenditures beyond the Maximum Contract Sum or Maximum Annual Contract Sum, and CONTRACTOR agrees that COUNTY has no obligation, whatsoever, to pay for any expenditures by CONTRACTOR that exceed the Maximum Contract Sum or the Maximum Annual Contract Sum.

6.11 CONTRACTOR shall notify COUNTY, in the manner set forth in Sections 6.0 and 22.0 of this Agreement, when expenditures under this Agreement total seventy-five percent (75%) of the Maximum Contract Sum or seventy-five percent (75%) of the Maximum Annual Contract Sum. Furthermore, CONTRACTOR shall notify COUNTY, in the manner set forth in Sections 6.0 and 22.0 of this Agreement, when this Agreement is within three (3) months of expiration. CONTRACTOR shall send these notices to those persons at those addresses which are set forth in Sections 6.0 and 22.0.

**8. Section 10.0, ASSIGNMENT/DELEGATION OF RIGHTS, restates in its entirety Subsection 10.1, and adds Subsection 10.4 as follows:**

10.1 CONTRACTOR shall not assign its rights or delegate its duties hereunder, either in whole or in part, without the prior written consent of the Los Angeles COUNTY Board of Supervisors or the Director in the event the Director has the delegated authority to consent. Any attempted assignment and/or delegation without said consent shall constitute a default under Section 44.0 Events of Default and Section 18.0 Termination for Contractor's Default herein and shall be null and void, subject to waiver by COUNTY. If CONTRACTOR is a corporation, partnership, limited liability company or other entity, then an assignment requiring COUNTY's consent hereunder shall also include any sale, exchange, assignment, divestment or change in members, directors or officers giving majority control of CONTRACTOR to any person(s) or legal entity other than the majority in control of CONTRACTOR at the time of execution of this Agreement. Any payments by COUNTY to CONTRACTOR or its assignee, or acceptance of any payments by COUNTY from CONTRACTOR or its assignee on any claim under this Agreement shall not waive or constitute such COUNTY consent.

10.4 Any payments by COUNTY to any delegatee or assignee on any claim under this Agreement shall reduce dollar for dollar any claims which CONTRACTOR may have against COUNTY and shall be subject to set-off, recoupment, or other reduction for any claims which COUNTY may have against CONTRACTOR, whether under this Agreement or otherwise.

**9. Section 11.0, RECORDS AND AUDITS, is restated in its entirety as follows:**

## 11.0 RECORDS AND AUDITS

- 11.1 CONTRACTOR shall maintain accurate and complete financial records of all its activities and operations relating to this Agreement in accordance with generally accepted accounting principles and which meet the requirements for contract accounting described in Auditor-Controller Contract Accounting and Administration Handbook. CONTRACTOR shall also maintain accurate and complete employment and other records relating to its performance of this Agreement.
- 11.2 CONTRACTOR agrees that COUNTY, or its authorized representatives, the State of California, or its authorized representatives, or the Federal Government, or its authorized representatives, including, but not limited to, the U. S. Comptroller General, shall have access to and the right to examine, audit, excerpt, copy or transcribe any pertinent transaction, activity, or records relating to this Agreement. All such material, including, but not limited to, all financial records, timecards and other employment records and confidential information, shall be kept and maintained by CONTRACTOR at a location in the County of Los Angeles and shall be made available to COUNTY, State or Federal authorities, during the term of this Agreement and for a period of five (5) years thereafter unless COUNTY's written permission is given to dispose of any such material prior to such time. If such material is located outside of the County of Los Angeles, then, at COUNTY's sole option, CONTRACTOR shall pay COUNTY for travel per diem and other costs incurred by COUNTY in exercising its rights under this Section. CONTRACTOR shall maintain all records in accordance with California State records and retention regulations including the provisions of California Department of Social Services Manual, Section 23-353.
- 11.3 In the event that an audit is conducted of CONTRACTOR specifically regarding this Agreement by any Federal or State auditor, or by any auditor employed by CONTRACTOR or otherwise, then CONTRACTOR shall file a copy of such audit report with COUNTY's Auditor-Controller within thirty (30) days of CONTRACTOR's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. COUNTY shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 11.4 CONTRACTOR shall be responsible for annual financial audits of its agency and its subcontractor(s) if required by COUNTY and/or the California Department of Social Services (CDSS), to be conducted by an independent audit firm and in accordance with generally accepted auditing standards. Within thirty (30) calendar days after issuance of the audit reports, CONTRACTOR shall forward copies of such reports to DCFS.

- 11.5 CONTRACTOR shall, during normal business hours, allow appropriate County, State and Federal agencies, including CDSS, COUNTY's Auditor-Controller or its designee to evaluate, audit, review, inspect and monitor its accounting books and records of program operations, including the interview of CONTRACTOR's staff, insurance agents, banks, personnel, vendors and subcontractor(s). Methods may include the inspection of accounting ledgers, journals, canceled checks, timecards, personnel records, fringe benefit rate notices, receipts and invoices, payroll tax records, subcontracts, space and equipment lease agreements, and other relevant accounting books, records, worksheets and logs as appropriate for ensuring CONTRACTOR's accountability of expenditures and program performance under this Agreement. CONTRACTOR shall ensure the cooperation of all subcontractor(s), its staff, and Board members in all such efforts.
- 11.6 All uses of funds paid to CONTRACTOR and other financial transactions related to CONTRACTOR's provision of services under this Agreement are subject to review and/or audit by DCFS, COUNTY's Auditor-Controller or its designee, or the State of California. In the event this Agreement is subject to Audit exceptions, CONTRACTOR shall pay to COUNTY, upon demand by COUNTY, the full amount of CONTRACTOR's liability for such audit exceptions, as determined by DCFS.
- 11.7 Failure on the part of CONTRACTOR to comply with the provisions of this Section shall constitute a material breach of this Agreement upon which COUNTY may withhold reimbursement or terminate this Agreement.
- 10. Section 14.0, COMPLIANCE WITH APPLICABLE LAWS, adds Subsections 14.1.1, 14.1.2 and 14.1.3 as follows:**
- 14.1.1 CONTRACTOR acknowledges that this Agreement will be funded, in part, with federal funds; therefore, CONTRACTOR agrees that it shall comply with all applicable federal laws and regulations pertaining to such federal funding. Said federal laws and regulations include, but are not limited to, 45 CFR Section 92.36, et seq.
- 14.1.2 CONTRACTOR shall comply with all applicable laws pertaining to confidentiality. This shall include but is not limited to the confidentiality provisions of Section 827 and Section 10850 of the California Welfare and Institutions Code and MPP Division 19.
- 14.1.3 CONTRACTOR agrees to comply fully with the terms of Executive Order 11246, entitled Equal Employment Opportunity as amended by Executive Order 11375, and as supplemented by Department of Labor Regulations (41 CFR Part 60).

**11. Section 18.0, TERMINATION FOR DEFAULT, is restated in its entirety as follows:**

**18.0 TERMINATION FOR CONTRACTOR'S DEFAULT**

- 18.1 Upon determining the existence of any one or more of the circumstances heretofore described in Section 44.0, Events of Default, this Agreement may be subject to termination either immediately or within such longer time period as noticed by COUNTY.
- 18.2 In the event COUNTY terminates this Agreement in whole or in part as provided in this Agreement, COUNTY may procure, upon such terms and in such manner as COUNTY may deem appropriate, services similar to those previously provided by CONTRACTOR. Any excess cost, as determined by the COUNTY, arising from procurement of services under this Section 18.2, over and above the contract sum, shall be charged against the CONTRACTOR and/or its sureties.
- 18.3 The remedies reserved to COUNTY herein shall be cumulative and in addition to any other remedies provided in law or equity.
- 18.4 In the event that, following services of the Notice of Termination of this Agreement under the provisions of this Agreement, it is determined for any reason that CONTRACTOR was not in default under the provisions of this Agreement or that the default was excusable under provisions of this Agreement, a correction of the Notice of Termination shall be issued, and the rights and obligations of the parties shall be the same as if the Notice of Termination had not been issued.

**12. Section 21.0, LIMITATION OF COUNTY'S OBLIGATION DUE TO NON-APPROPRIATION OF FUNDS, restates in its entirety Subsection 21.4 and adds subsection 21.5 as follows:**

- 21.4 In the event that the COUNTY's Board of Supervisors adopts, in any fiscal year, a COUNTY Budget which provides for reductions in the salaries and benefits paid to the majority of COUNTY employees and imposes similar reductions with respect to COUNTY contracts, the COUNTY reserves the right to reduce its payment obligation correspondingly for that fiscal year and any subsequent fiscal year services provided by the CONTRACTOR under the contract. The COUNTY's notice to the CONTRACTOR regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. The CONTRACTOR shall continue to provide all of the services set forth in the Contract.

- 21.5 Notwithstanding anything to the contrary in this Agreement, CONTRACTOR understands and agrees that COUNTY shall in no way be obligated under this Agreement, or otherwise, unless and until sufficient funding is approved, authorized, committed, and provided to the COUNTY by and through (1) the United States Department of Health & Human Services, Administration for Children and Families, and (2) the State of California.

**13. Section 22.0, NOTICES, is restated in its entirety as follows:**

**22.0 NOTICES**

- 22.1 All notices shall be given in writing by enclosing the same in a sealed envelope addressed to the intended party and by depositing such envelope with postage prepaid at a United States Post Office or any substation or in a public letterbox. All notices to COUNTY shall be sent in duplicate addressed to the following:

Marjorie Kelly, Interim Director  
Department of Children and Family Services  
425 Shatto Place  
Los Angeles, California 90020

and

Department of Children and Family Services  
Contract Management Services  
Attention: Contract Administrator  
425 Shatto Place, Room 205  
Los Angeles, California 90020

All notices to CONTRACTOR shall be sent to:

Spherion Pacific Enterprises LLC  
Wayne Mincey, President, and Sean Ebner, Managing Director  
10 Universal City Plaza, Suite 1740  
Los Angeles, California 91608.

or such other person and/or location as may hereinafter be designated in writing by the CONTRACTOR.

- 22.2 All notices may also be given upon personal delivery to any person whose actual knowledge would be sufficient notice to CONTRACTOR. Further, it is expressly understood that actual knowledge of an individual CONTRACTOR or of a co-partner, or if the CONTRACTOR is a corporation, or an officer or member of the corporation, or by the



managing agent regularly in charge of the work on behalf of CONTRACTOR, shall in any case be sufficient notice.

- 14. Section 25.0, PROPRIETARY RIGHTS, restates in its entirety Subsection 25.1, deletes in its entirety Subsection 25.2, rennumbers Subsection 25.3 to 25.2, rennumbers Subsection 25.4 to 25.3, rennumbers Subsection 25.5 to 25.4, rennumbers Subsection 25.6 to 25.5, rennumbers Subsection 25.7 to 25.6, rennumbers Subsection 25.8 to 25.7, and adds Subsection 25.8 as follows:**

**25.0 PROPRIETARY RIGHTS**

25.1 COUNTY and CONTRACTOR agree that all software, materials, data and information developed under and/or used in connection with this Agreement shall become the sole property of COUNTY, provided that CONTRACTOR may retain possession of all working papers prepared by CONTRACTOR. During and subsequent to the term of this Agreement, COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.

25.8 The provisions of Sections 25.4, 25.5, and 25.6 shall survive the expiration or termination of this Agreement.

- 15. Section 28.0, INSURANCE, is restated in its entirety as follows:**

**28.0 GENERAL INSURANCE REQUIREMENTS**

Without limiting CONTRACTOR's indemnification of COUNTY and during the term of this Agreement, CONTRACTOR shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY, and such coverage shall be provided and maintained at CONTRACTOR's own expense.

28.1 Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to COUNTY shall be delivered to DCFS Contract Administrator, Attention: Theresa Wisda, 425 Shatto Place, Room 205, Los Angeles, California 90020, prior to commencing services under this Agreement. Such certificates or other evidence shall:

28.1.1 Specifically identify this Agreement.

28.1.2 Clearly evidence all coverages required in this Agreement.

- 28.1.3 Contain the express condition that COUNTY is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.
- 28.1.4 Include copies of the additional insured endorsement to the commercial general liability policy, adding the COUNTY of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Agreement.
- 28.1.5 Identify any deductibles or self-insured retentions for COUNTY's approval. The COUNTY retains the right to require CONTRACTOR to reduce or eliminate such deductibles or self-insured retentions as they apply to COUNTY, or, require CONTRACTOR to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.
- 28.2 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.
- 28.3 Failure to Maintain Coverage: Failure by CONTRACTOR to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the Agreement upon which COUNTY may immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONTRACTOR resulting from said breach. Alternatively, COUNTY may purchase such required insurance coverage, and without further notice to CONTRACTOR, COUNTY may deduct from sums due to CONTRACTOR any premium costs advanced by COUNTY for such insurance.
- 28.4 Notification of Incidents, Claims or Suits: CONTRACTOR shall report to COUNTY:
- 28.4.1 Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONTRACTOR and/or COUNTY. Such report shall be made in writing within 24 hours of occurrence.
- 28.4.2 Any third party claim or lawsuit filed against CONTRACTOR arising from or related to services performed by CONTRACTOR under this Agreement.

28.4.3 Any injury to a CONTRACTOR employee that occurs on COUNTY property. This report shall be submitted on a COUNTY "Non-Employee Injury Report" to the COUNTY Contract Manager.

28.4.4 Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONTRACTOR under the terms of this Agreement.

28.5 Compensation for COUNTY Costs: In the event that CONTRACTOR fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONTRACTOR shall pay full compensation for all costs incurred by COUNTY.

28.6 Insurance Coverage Requirements for Subcontractors: CONTRACTOR shall ensure any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

28.6.1 CONTRACTOR providing evidence of insurance covering the activities of subcontractors, or

28.6.2 CONTRACTOR providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

**16. Section 29.0, CONFIDENTIALITY, is restated in its entirety as follows:**

**29.0 CONFIDENTIALITY**

29.1 CONTRACTOR shall maintain the confidentiality of all records, including but not limited to COUNTY records and client records in accordance with all applicable federal, state and local laws, regulations, ordinances and directives regarding confidentiality. CONTRACTOR shall inform all of its officers, employees and agents providing services hereunder of the confidentiality provisions of this Agreement. All employees of CONTRACTOR who have access to confidential records and data must sign and adhere to the attached "Employee Acknowledgment and Confidentiality Agreement", Exhibit F. CONTRACTOR shall notify COUNTY of any attempt to obtain confidential records through the legal process.

29.2 CONTRACTORS shall comply with all applicable laws pertaining to confidentiality. This shall include but is not limited to the confidentiality provisions of Section 827 and Section 10850 of the California Welfare and Institutions Code and MPP Division 19.

**17. Section 30.0, CONTRACT ENFORCEMENT, QUALITY ASSURANCE PLAN, MONITORING AND REVIEW, restates in their entirety Subsections 30.3 and 30.5, and deletes 30.6 as follows:**

30.3 The COUNTY or its agent will evaluate CONTRACTOR's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing the CONTRACTOR's compliance with all contract terms and performance standards. CONTRACTOR deficiencies which COUNTY determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the COUNTY and CONTRACTOR. If improvement does not occur consistent with the corrective action measures, COUNTY may terminate this Agreement or impose other penalties as specified in this Agreement.

30.5 CONTRACTOR shall prepare and submit to COUNTY's Program Manager a written semi-annual report describing the services provided throughout each Fiscal Year. The CONTRACTOR's semi-annual report shall include, but not be limited to:

30.5.1 Description of services and/or deliverables rendered during the period, dollar amount of services rendered during the period, dollar balance remaining under the Agreement, and any difficulties encountered that could jeopardize the completion of the project or milestones or deliverables within the schedule.

**18. Section 32.0, CRIMINAL CLEARANCES, restates in its entirety Subsection 32.3 as follows:**

32.3 CONTRACTOR agrees not to engage or continue to engage the services of any person convicted of any crime involving harm to children, or any crime involving conduct inimical to the health, morals, welfare or safety of others, including but not limited to the offenses specified in Health and Safety Code, Section 11590 (offenses requiring registration as a controlled substance offender) and those defined in the following Penal Code Sections or any other existing or future Penal Code sections which address such crimes:

SECTION	TITLE
220	Assault with intent to commit mayhem, rape, unlawful sodomy, unlawful oral copulation, rape in concert with another, lascivious acts upon a child, or forcible acts of sexual penetration

243.4	Sexual battery
245	Assault with a deadly weapon or force likely to produce great bodily injury
261.5	Unlawful sexual intercourse with a minor.
264.1	Voluntary acting in concert with another person, by force or violence and against the will of the victim, committed rape, rape of spouse or forcible act of sexual penetration either personally or by aiding and abetting the other person
272	Causing, encouraging or contributing to delinquency of person under age 18.
273a	Great bodily harm or death to child; endangerment of person or health.
273ab	Assault resulting in death of child under 8 years of age.
273d	Infliction of corporal punishment or injury on child resulting in traumatic condition.
273g	Degrading, immoral or vicious practices in the presence of children.
273.5	Infliction of corporal punishment or injury on spouse, former spouse, cohabitant, former cohabitant or the mother or father of his or her child resulting in traumatic condition
286	Sodomy.
288	Lewd or lascivious acts upon the body of a child under age 14.
288a	Unlawful oral copulation.
289	Forcible acts of sexual penetration against the victim's will
290	Sex offenders required to register with the chief of police, sheriff or police of a campus of University

	of California, California State University or community college
314	Indecent exposure.
368(b)	Great bodily harm or death to elder or dependent adult; Endangerment of person or health of elder or dependent adult
647 (a) & (d)	Disorderly conduct relating to lewd act/behavior or prostitution.
647.6	Annoyance of or molesting a child under age 18.
667.5(c)	Violent felony as defined in California Penal Code Section 667.5 (c)

**19. Section 34.0, FORMER FOSTER YOUTH CONSIDERATION, restates in its entirety Subsection 34.1, and adds Subsection 34.3 as follows:**

34.1 Should CONTRACTOR require additional or replacement personnel after the effective date of this Agreement to perform services set forth herein, CONTRACTOR shall give consideration (after COUNTY employees, and GAIN participants as described in Sections 35.0 and 36.0, respectively) for any such position(s) to qualified former foster youth. CONTRACTOR shall notify COUNTY of any new or vacant positions(s) within CONTRACTOR's firm by sending via U.S. mail or facsimile, a list denoting any position(s) for which hiring is anticipated to:

Department of Children and Family Services  
425 Shatto Place, Room 307  
Los Angeles, California 90020

FAX: (213) 383-3773

34.3 CONTRACTOR is exempt from the provisions of this Section if it is a government entity.

**20. Section 35.0, CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFFS, adds Subsection 35.3 as follows:**

35.3 CONTRACTOR is exempt from the provisions of this Section if it is a governmental entity.

**21. Section 36.0, CONSIDERATION OF HIRING GAIN PARTICIPANTS, is restated in its entirety as follows:**

**36.0 CONSIDERATION OF GREATER AVENUES FOR INDEPENDENCE (GAIN) OR GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR EMPLOYMENT**

36.1 Should CONTRACTOR require additional or replacement personnel after the effective date of this Agreement, CONTRACTOR shall give consideration for any such employment openings to participants in the COUNTY's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program or General Relief Opportunities for Work (GROW) Program who meet CONTRACTOR's minimum qualifications for the open position. COUNTY will refer GAIN/GROW participants, by job category, to CONTRACTOR.

In the event that both laid-off COUNTY employees and GAIN/GROW participants are available for hiring, COUNTY employees shall be given first priority.

36.2 CONTRACTOR shall send notices to the COUNTY's nearest job location indicated on Department of Public Social Services' website at [www.ladpss.org](http://www.ladpss.org) (click on "Jobs" tab, then "Greater Avenues to Independence" box, then "Office Location" box).

36.3 The notice sent by CONTRACTOR must indicate the position(s)/title(s) for vacant or new employment opportunity, description of same, requirements/qualifications for position(s), anticipated pay rate or salary schedule, the location where applications/request(s) for applications are being received, final date of acceptance for applications and any special circumstances relevant to the hiring procedure for said position(s).

36.4 CONTRACTOR is exempt from the provisions of this Section if it is a governmental entity.

**22. Section 37.0, COUNTY LOBBYISTS, is restated in its entirety as follows:**

**37.0 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE**

37.1 CONTRACTOR and each COUNTY lobbyist or COUNTY lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by CONTRACTOR, shall fully comply with the COUNTY Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of CONTRACTOR or any COUNTY lobbyist or COUNTY lobbying firm retained by CONTRACTOR to fully comply with the COUNTY Lobbyist Ordinance shall constitute a material breach of this Agreement upon which

COUNTY may, in its sole discretion, immediately terminate or suspend this Agreement.

**23. Section 44.0, EVENTS OF DEFAULT, is added as follows:**

**44.0 EVENTS OF DEFAULT**

**44.1 Default for Non-Performance**

COUNTY may terminate the whole or any part of this Agreement if either of the following circumstances exists:

44.1.1 CONTRACTOR has made a misrepresentation of any required element in the bid/proposal submitted in response to the Invitation for Bids/Request for Proposals, if any; or

44.1.2 CONTRACTOR fails to comply with or perform any provision of this Agreement or fails to make progress so as to endanger performance of any term of this Agreement.

**44.2 Default for Insolvency**

COUNTY may terminate this Agreement for default for insolvency in the event of the occurrence of any of the following:

44.2.1 Insolvency of CONTRACTOR. CONTRACTOR shall be deemed insolvent if it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether it has filed for bankruptcy or not, and whether insolvent within the meaning of the Federal Bankruptcy Law or not;

44.2.2 The filing of a voluntary petition in bankruptcy;

44.2.3 The appointment of a Receiver or Trustee for CONTRACTOR;

44.2.4 The execution by CONTRACTOR of an assignment for the benefit of creditors.

**44.3 Other Events of Default**

Determination by the COUNTY, the State Fair Employment Commission, or the Federal Equal Employment Opportunity Commission of discrimination having been practiced by CONTRACTOR in violation of State and/or Federal laws thereon.

**24. Section 45.0, INSURANCE COVERAGE REQUIREMENTS, is added as follows:**



#### 45.0 INSURANCE COVERAGE REQUIREMENTS:

- 45.1 General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

- 45.2 Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than one million dollars (\$1,000,000) for each accident. Such insurance shall include coverage for all "owned," "hired" and "non-owned" vehicles, or coverage for "any auto."

- 45.3 Workers' Compensation and Employer's Liability insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONTRACTOR is responsible. If CONTRACTOR's employees will be engaged in maritime employment, coverage shall provide workers' compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which CONTRACTOR is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease – policy limit:	\$1 million
Disease – each employee:	\$1 million

- 45.4 Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the CONTRACTOR, its officers or employees with limits of not less than one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) aggregate. The coverage also shall provide an extended two-year reporting period commencing upon termination or cancellation of this Agreement.

- 45.5 Property Coverage: Such insurance shall be endorsed naming the COUNTY of Los Angeles as loss payee, provide deductibles of no greater than 5% of the property value, and shall include:

Personal Property: Automobiles and Mobile Equipment – Special form ("all risk") coverage for the actual cash value of COUNTY-owned or leased property.

Real Property and All Other Personal Property – Special form (“all-risk”) coverage for the full replacement value of COUNTY-owned or leased property.

- 45.6 Crime Coverage: Insurance with limits in amounts not less than indicated below covering against loss of money, securities, or other property referred to in this Agreement, and naming the COUNTY as loss payee.

Employee Dishonesty:	\$100,000
Forgery or Alteration:	\$100,000
Theft, Disappearance and Destruction:	\$100,000
Computer Fraud:	\$100,000
Burglary and Robbery:	\$100,000

**25. Section 46.0, CLIENT GRIEVANCES, is added as follows:**

**46.0 CLIENT GRIEVANCES**

- 46.1 CONTRACTOR shall establish a written procedure to resolve client grievances. At the request of COUNTY’s Program Manager, CONTRACTOR shall submit such procedures to COUNTY within five (5) calendar days from date of the request.

**26. Section 47.0, CONTRACTOR RESPONSIBILITY AND DEBARMENT, is added as follows:**

**47.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT**

- 47.1 A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the COUNTY’s policy to conduct business only with responsible contractors.
- 47.2 The CONTRACTOR is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the COUNTY acquires information concerning the performance of the CONTRACTOR on this or other contracts which indicates that the CONTRACTOR is not responsible, the COUNTY may, in addition to other remedies provided in the Contract, debar the CONTRACTOR from bidding on COUNTY contracts for a specified period of time not to exceed three years, and terminate any or all existing contracts the CONTRACTOR may have with the COUNTY.
- 47.3 The COUNTY may debar the CONTRACTOR if the Board of Supervisors finds, in its discretion, that the CONTRACTOR has done any of the following: (1) violated any term of a contract with the COUNTY, (2)

committed any act or omission which negatively reflects on the CONTRACTOR's quality, fitness or capacity to perform a contract with the COUNTY or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the COUNTY or any other public entity.

- 47.4 If there is evidence that the CONTRACTOR may be subject to debarment, the Department will notify the CONTRACTOR in writing of the evidence which is the basis for the proposed debarment and will advise the CONTRACTOR of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- 47.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The CONTRACTOR and/or the CONTRACTOR's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether the CONTRACTOR should be debarred, and, if so, the appropriate length of time of the debarment. If the CONTRACTOR fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the CONTRACTOR may be deemed to have waived all rights of appeal.
- 47.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.
- 47.7 These terms shall also apply to Subcontractors of COUNTY Contractors.

**27. Section 48.0, USE OF RECYCLED-CONTENT PAPER, is added as follows:**

**48.0 USE OF RECYCLED-CONTENT PAPER**

- 48.1 Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at COUNTY landfills, the CONTRACTOR agrees to use recycled-content paper to the maximum extent possible on the project.

**28. Section 49.0, CHILD ABUSE PREVENTION REPORTING, is added as follows:**

**49.0 CHILD ABUSE PREVENTION REPORTING**

49.1 CONTRACTOR agrees that the safety of the child will always be the first priority. To ensure the safety of children, CONTRACTOR will immediately notify COUNTY and the Child Abuse Hotline whenever CONTRACTOR reasonably suspects that a child has been a victim of abuse and/or is in danger of future abuse. The CONTRACTOR will remain with the child if imminent risk is present.

49.2 CONTRACTOR shall ensure that all known or suspected instances of child abuse are reported to a child protective agency as defined in Section 11164, et. Seq. of the Penal Code. This responsibility shall include:

49.2.1 A requirement that all employees, consultants, or agents performing services under this Agreement who are required by Penal Code, Section 11166(a), to report child abuse, sign a statement that he or she knows of the reporting requirements and will comply with them.

49.2.2 The establishment of procedures to ensure reporting even when employees, consultants or agents who are not required to report child abuse under California Penal Code Section 11166, gain knowledge of, or reasonably suspect that a child had been a victim of abuse or neglect.

49.2.3 The assurance that all employees of CONTRACTOR and subcontractors understand that the safety of the child is always the first priority.

**29. Section 50.0, COMMUNITY BUSINESS ENTERPRISES PROGRAM, is added as follows:**

50.0 COMMUNITY BUSINESS ENTERPRISES PROGRAM

50.1 In accordance with COUNTY policy, CONTRACTOR has submitted a true and correct copy of Certification Application and is attached as Exhibit D.

**30. Section 51.0, COMPLIANCE WITH JURY SERVICE PROGRAM, is added as follows:**

51.0 COMPLIANCE WITH JURY SERVICE PROGRAM

This Contract is subject to the provisions of the COUNTY's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached hereto as Exhibit J and incorporated by reference into and made a part of the Contract.

## 51.1 Written Employee Jury Service Policy

51.1.1 CONTRACTOR shall provide a Jury Service Program Certification to COUNTY, a copy of which is attached hereto as Exhibit I and incorporated by reference into and made a part of the Agreement. Unless CONTRACTOR has demonstrated to the COUNTY's satisfaction either that CONTRACTOR is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that CONTRACTOR qualifies for an exception to the Jury Service Program (2.203.070 of the County Code), CONTRACTOR shall have and adhere to a written policy that provides that its Employees shall receive from the CONTRACTOR, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the CONTRACTOR or that the CONTRACTOR deduct from the Employee's regular pay the fees received for jury service.

51.1.2 For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the COUNTY or a subcontract with a COUNTY contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more COUNTY contracts or subcontracts. "Employee" means any California resident who is a full time employee of CONTRACTOR. "Full time" means forty (40) hours or more worked per week, or a lesser number of hours if: (1) the lesser number is a recognized industry standard as determined by the COUNTY; or (2) CONTRACTOR has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If CONTRACTOR uses any subcontractor to perform services for the COUNTY under the CONTRACT, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

51.1.3 If CONTRACTOR is not required to comply with the Jury Service Program when the Contract commences, CONTRACTOR shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and CONTRACTOR shall immediately notify COUNTY if CONTRACTOR at any time either comes within the Jury Service Program's definition of "Contractor" or if CONTRACTOR no longer qualifies for an exception to the Program. In either event,

CONTRACTOR shall immediately implement a written policy consistent with the Jury Service Program. The COUNTY may also require, at any time during the Contract and at its sole discretion, that CONTRACTOR demonstrate to the COUNTY's satisfaction that CONTRACTOR either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that CONTRACTOR continues to qualify for an exception to the Program.

51.1.4 CONTRACTOR's violation of this Section of the contract may constitute a material breach of the Contract. In the event of such material breach, COUNTY may, in its sole discretion, terminate the Contract and/or bar CONTRACTOR from the award of future COUNTY contracts for a period of time consistent with the seriousness of the breach.

- 31. Except as specifically provided to the contrary in this Amendment Two, all other terms and conditions of the Agreement shall remain in full force and effect.**

**AMENDMENT TWO TO AGREEMENT NUMBER 72542  
BETWEEN THE COUNTY OF LOS ANGELES AND SPHERION PACIFIC  
ENTERPRISES LLC EXTENDING THE TERM OF THE AGREEMENT  
FOR COMPUTER ASSISTANT TECHNICIAN SERVICES**

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Two to be subscribed by its Chair and the seal of such Board to be hereto affixed and attested by the Executive Office thereof, and CONTRACTOR has caused this Amendment Two to be subscribed in its behalf by its duly authorized officers on the day, month and year first above written. The persons signing on behalf of the CONTRACTOR declare, represent and warrant under penalty of perjury under the laws of the state of California that they are authorized to bind the CONTRACTOR.

COUNTY OF LOS ANGELES

ATTEST:

By \_\_\_\_\_  
Chair, Board of Supervisors

VIOLET VARONA-LUKENS  
Executive Officer-Clerk of the  
Los Angeles County  
Board of Supervisors

By \_\_\_\_\_  
Deputy

SPHERION PACIFIC ENTERPRISES LLC,  
a Delaware limited liability company

\_\_\_\_\_  
CONTRACTOR

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

\_\_\_\_\_  
Tax Identification Number

APPROVED AS TO FORM:

LLOYD W. PELLMAN  
County Counsel

BY \_\_\_\_\_  
John L. Geiger, Senior Deputy

**AMENDMENT TWO TO AGREEMENT 72542  
FOR COMPUTER ASSISTANT TECHNICIAN SERVICES  
BETWEEN THE COUNTY OF LOS ANGELES AND  
SPHERION PACIFIC ENTERPRISES LLC**

**PRICE SCHEDULE**

The price for CATS is \$28.00 per hour for the duration of this Agreement, including any extended periods.

Upon commencement of the Agreement, CONTRACTOR shall provide twenty-one (21) computer assistant technicians to the County for the services set forth in the Statement of Work, Exhibit A. Each of these computer assistant technicians will work a maximum of 996 hours between January 1, 2003 through June 30, 2003.

Each CAT will work no more than 8 hours per day and no more than 40 hours per week.

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Name

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Title

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Authorized Signature

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Date



**BUDGET****EXHIBIT B-1**

**Computers Assistant Technician Service Agreement**  
**DETAILED LINE ITEM-BUDGET (Sample)**  
**January 1, 2003 - June 30, 2003**

			<b>Contractor's Monthly Costs</b>	<b>Total Charged to County</b>
<b>DIRECT COSTS</b>				
<b><u>Personnel Salaries and Employee Fringe Benefits</u></b>				
<b><u>Name</u></b>	<b><u>Annual, Monthly or Hourly Expense</u></b>	<b><u>Full Time Equivalent (%)</u></b>		
John Doe, President (Annual Salary)	\$100,000.00	0.05	\$416.67	\$0.00
Jane Doe, CAT Manager II (Annual Salary)	\$85,000.00	0.25	\$1,770.83	\$0.00
John Doe, CAT Manager I (Annual Salary)	\$75,000.00	0.50	\$3,125.00	\$0.00
Jane Doe, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Doe, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
Jane Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
Jane Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
Jane Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
Jane Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
Jane Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Smith, Office Manager (Annual Salary)	\$36,000.00	0.05	\$150.00	\$0.00
<b>TOTAL MONTHLY PERSONNEL SALARIES AND COSTS</b>			<b>\$45,714.36</b>	
<b>TOTAL MONTHLY AMOUNT CHARGED TO COUNTY</b>				<b>\$56,718.53</b>
<b>INDIRECT COSTS</b>				
<b><u>Other Cost and Expenses</u></b>				
Office Rent and Parking (Annual)	\$60,000.00	0.05	\$250.00	\$0.00
Liability and Workers Compensation Insurance Premiums (Annual)	\$50,000.00	0.05	\$208.33	\$0.00
Offsite parking expenses (Monthly)	\$500.00	1.00	\$500.00	\$0.00
Between sites mileage (Monthly)	\$1,200.00	1.00	\$1,200.00	\$0.00
Remote communications (cellular phones and pagers) (Monthly)	\$600.00	1.00	\$600.00	\$0.00
General project supplies and books (Monthly)	\$100.00	1.00	\$100.00	\$0.00
Postage (Monthly)	\$50.00	1.00	\$50.00	\$0.00
Photocopying (Monthly)	\$50.00	1.00	\$50.00	\$0.00
Landline telephone and fax (Monthly)	\$100.00	1.00	\$100.00	\$0.00
			<b>\$3,058.33</b>	<b>\$0.00</b>
<b>SUBTOTAL SALARIES, WAGES, COSTS AND EXPENSES:</b>			<b>\$ 48,773</b>	<b>\$ 56,719</b>
<b>TOTAL MONTHLY PROFIT (LOSS):</b>			<b>\$ 7,946</b>	
<b>TOTAL CONTRACT PROFIT (LOSS):</b>				<b><u>47,675.02</u></b>

**COMPUTER ASSISTANT TECHNICIAN SERVICES  
AMENDMENT TWO TO AGREEMENT NUMBER 72542****CONTRACTOR'S EEO CERTIFICATION**

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Contractor's Name

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Address

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Internal Revenue Service Employer Identification Number**GENERAL**

In accordance with the Section 22001, Administrative Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

**BIDDER'S CERTIFICATION**

- |    |   |     |    |
|----|---|-----|----|
| 1. | The Contractor has a written policy statement prohibiting discrimination in all phases of employment.   | YES | NO |
| 2. | The Contractor periodically conducts a self-analysis or utilization analysis of its work force.   | YES | NO |
| 3. | The Contractor has a system for determining if its employment practices are discriminatory against protected groups.  | YES | NO |
| 4. | Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action to include establishment of goals or time tables. | YES | NO |

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Name

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Title

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Authorized Signature

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Date

# COMPUTER ASSISTANT TECHNICIAN SERVICES AMENDMENT TWO TO AGREEMENT NUMBER 72542

## LOS ANGELES COUNTY COMMUNITY BUSINESS ENTERPRISE (LAC/CBE) PROGRAM

### FIRM/ORGANIZATION INFORMATION

**INSTRUCTIONS:** All proposers responding to this solicitation must return this form for proper consideration of the proposal. The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR § 23.5.

#### TYPE OF BUSINESS

**STRUCTURE:** \_\_\_\_\_  
(Corporation, Partnership, Sole Proprietorship, etc.)

**TOTAL NUMBER OF EMPLOYEES IN FIRM (including owners):** \_\_\_\_\_

**CULTURAL/ETHNIC COMPOSITION OF FIRM** (Partners, Associate Partners, Managers, Staff, etc.).  
Please break down the above total number of employees into the following categories:

	OWNERS/PARTNERS/ ASSOCIATE PARTNERS	MANAGERS	STAFF
Black/African American			
Hispanic/Latin American			
Asian American			
American Indian/Alaskan Native			
White			
<i>Based on the above categories, please indicate the total numbers of men and women in the firm:</i>			
Male			
Female			

**PERCENTAGE OF OWNERSHIP IN FIRM** Please indicate by percentage (%) how ownership of the firm is distributed.

	Black/ African American	Hispanic/Lati n American	Asian American	American Indian/ Alaskan Native	White
Men	%	%	%	%	%
Women	%	%	%	%	%

#### **CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERANS BUSINESS ENTERPRISES**

Is your firm currently certified as a minority, women-owned, disadvantaged or disabled veterans business enterprise by a public agency? (If yes, complete the following and attach a copy of your notice of certification.)

	M	W	D	DV	Expiration Date
Agency _____					_____
Agency _____					Expiration Date _____
Agency _____					Expiration Date _____
Agency _____					Expiration Date _____
Agency _____					Expiration Date _____

LEGEND: M = Minority; W = Women; D = Disadvantaged; DV = Disabled Veterans

**LAC/CBE SANCTIONS**

1. A person or business shall not:
  - a. Knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining, retaining or attempting to obtain or retain, acceptance or certification as a minority or women business enterprise, or both, for the purposes of this article.
  - b. Willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the acceptance or certification or denial of acceptance or certification of any entity as a minority or women business enterprise, or both.
  - c. Willfully and knowingly obstruct, impede, or attempt to obstruct or impede, any county official or employee who is investigating the qualifications of a business entity which has requested acceptance or certification as a minority or women business enterprise, or both.
  - d. Knowingly and with intent to defraud, fraudulently obtain, attempt or obtain, or aid another person or business in fraudulently obtaining or attempting to obtain, public moneys to which the person or business is not entitled under this article.
2. Any person or business who violates paragraph (1) shall be suspended from bidding on, or participating as contractor, subcontractor, or supplier in any County contract or project for a period of three years.
3. No County agency with the powers to award contracts shall enter into any contract with any person or business suspended for violating this section during the period of the person's or business' suspension. No awarding department shall award a contract to any contractor utilizing the services of any person or business as a subcontractor suspended for violating this section during the period of the person's or business suspension.

I acknowledge, that the undersigned, on behalf of himself or herself individually and on behalf of his or her business or organization, if any, is fully aware of the above policy of the County of Los Angeles and I declare under penalty of perjury that the foregoing Firm/Organization Information is true and correct.

\_\_\_\_\_  
Name of Firm/Organization

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**COMPUTER ASSISTANT TECHNICIAN SERVICES  
AMENDMENT TWO TO AGREEMENT NUMBER 72542**

**CHILD SUPPORT COMPLIANCE PROGRAM CERTIFICATION**

Los Angeles County Code Chapter 2.200 establishes the Los Angeles County Child Support Compliance Program. This Program requires the County to provide certain information to the Child Support Services Department (CSSD) concerning its employees and business licensees. It further requires that bidders or proposers for County contracts submit certifications of Program compliance to the soliciting County department along with their bids or proposals. (In an emergency procurement, as determined by the soliciting County department, these certifications may be provided immediately following the procurement.)

IN ORDER TO COMPLY WITH THIS REQUIREMENT, COMPLETE THIS FORM AND SUBMIT IT DIRECTLY TO THE SOLICITING COUNTY DEPARTMENT ALONG WITH YOUR BID OR PROPOSAL. IN ADDITION, PROVIDE A COPY TO THE CHILD SUPPORT SERVICES DEPARTMENT AT THE ADDRESS OR FAX NUMBER SHOWN BELOW. SOLE PRACTICIONER MEMBERS OF AN ASSOCIATION MUST COMPLETE AND SUBMIT INDIVIDUAL FORMS.

I, (print name as shown in bid or proposal ) \_\_\_\_\_, hereby submit this certification to the (County Department) \_\_\_\_\_, pursuant to the provisions of County Code Section 2.200.060 and hereby certify that (contractor name as shown in bid or proposal) \_\_\_\_\_, an independently-owned or franchiser-owned business (circle one), located at (contractor or, if an association, associated member address) \_\_\_\_\_ is in compliance with Los Angeles County's Child Support Compliance Program and has met the following requirements:

- 1) Submitted a completed Principal Owner Information Form to the Child Support Services Department;
- 2) Fully complied with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and/or California Unemployment Insurance Code Section 1088.5 and will continue to comply with such reporting requirements;
- 3) Fully complied with all lawfully served Wages and Earnings Withholding Orders or Notices of Wage and Earnings Assignment, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b) or pursuant to applicable provisions of the Uniform Interstate Family Support Act, and will continue to comply with such Orders or Notices.

***I declare under penalty of perjury that the foregoing is true and correct.***

Executed this \_\_\_\_\_ day of \_\_\_\_\_

(Month and Year)

at: \_\_\_\_\_  
(City/State) (Telephone No.)

by: \_\_\_\_\_  
(Signature of a Principal Owner, an officer or manager responsible for submission of the bid or proposal to the County)

**Copy to: Child Support Services Department  
Special Projects  
P. O. Box 911009  
Los Angeles, CA 90091-1099  
FAX: (323) 869-0634**

**Telephone: (323) 832-7277 or (323) 832-7276**

**COMPUTER ASSISTANT TECHNICIAN SERVICES  
AMENDMENT TWO TO AGREEMENT NUMBER 72542**

**EMPLOYEE ACKNOWLEDGMENT AND CONFIDENTIALITY AGREEMENT**

**GENERAL**

This is to emphasize that it is necessary to protect the confidentiality of information obtained at the Department of Children and Family Services (DCFS). I understand that my employer, \_\_\_\_\_ (the "Contractor") has entered into an Agreement with the County of Los Angeles to provide various services to the County.

As an employee of my employer, the Contractor, I must sign this Employee Acknowledgment and Confidentiality Agreement as a condition of my work to be provided by my employer, the Contractor, for the County.

**EMPLOYEE ACKNOWLEDGMENT**

I understand that my employer, the Contractor, is my sole employer for purpose of employment for services provided as defined in the body of this Agreement. I rely exclusively upon my employer, the Contractor, for payment of salary and any and all other benefits payable to me or on my behalf during the term of employment as defined in the body of this Agreement.

I understand and agree that I am not an employee of Los Angeles County for any purpose and that I do not have any and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between my employer, the Contractor and the County of Los Angeles.

**CONFIDENTIALITY AGREEMENT**

As an employee of my employer, the Contractor, involved with work pertaining to County services, I may have access to confidential data pertaining to clients of DCFS. All clients of DCFS are assured that information which they give is confidential. Names, addresses and all other information concerning the circumstances of any individual for whom or about whom information is obtained is confidential. This is true of all information whether written or oral.

I understand that I may not discuss any situation(s) which could possibly identify an individual, nor shall names, addresses, or any other identifying information of applicants, clients, foster parents, or birth parents ever be discussed. I will not read narratives, letters, documents, or other information except as necessary in the performance of my duties.

I hereby agree that I will not divulge to any unauthorized person any information obtained while performing work pursuant to the contract between my employer, the Contractor, and the County of Los Angeles. I agree to refer all requests for the release of information received by me to my immediate supervisor.

I agree to report any and all violations to the above by any other person and/or myself to my immediate supervisor and I agree to ensure that said supervisor reports such violation to the County of Los Angeles Department of Children and Family Services. I agree to return all materials to my immediate supervisor upon termination of my employment with my employer, the Contractor.

I acknowledge that violation of this Acknowledgment and Agreement may subject me to civil and/or criminal action and that the County of Los Angeles will seek all possible legal redress.

Name: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Name: \_\_\_\_\_  
Printed

Title/Position: \_\_\_\_\_

**AUDITOR-CONTROLLER  
CONTRACT ACCOUNTING AND OPERATING HANDBOOK**

The purpose of this Handbook is to establish required accounting, financial reporting, and internal control standards for entities (contractor) which contract with the Los Angeles County.

The accounting, financial reporting and internal control standards described in this Handbook are fundamental. These standards are not intended to be all inclusive or replace acceptable existing procedures or preclude the use of more sophisticated methods. Instead, this Handbook represents the minimum required procedures and controls that must be incorporated into a CONTRACTOR's accounting and financial reporting systems. The internal control standards described are those that apply to organizations with adequate staffing. Organizations with a smaller staff must attempt to comply with the intent of the standards and implement internal control systems appropriate to the size of their staff/organization. The CONTRACTOR's subcontractors must also follow these standards unless otherwise stated in the Agreement.

**A. ACCOUNTING AND FINANCIAL REPORTING**

**1.0 Basis of Accounting**

Contractors may elect to use either the cash basis or accrual basis method of accounting for recording financial transactions. Monthly invoices must be prepared on the same basis that is used for recording financial transactions.

- 1.1 The County recommends the use of the accrual basis for recording financial transactions.

Accrual Basis

Under the accrual basis, revenues are recorded in the accounting period in which they are earned (rather than when cash is received). Expenditures are recorded in the accounting period in which they are incurred (rather than when cash is disbursed).

Accruals

Accruals shall be recorded observing the following:

- Only accruals where cash will be disbursed within six months of the accrual date should be recorded.
- Recorded accruals must be reversed in the subsequent accounting period.

- 1.2 If an agent elects to use the cash basis for recording financial transactions during the year:

- Necessary adjustments must be made to record the accruals at the beginning and the end of the contract.
- All computations, supporting records, and explanatory notes used in converting from cash basis to the accrual basis must be retained.

### 1.3 Prepaid Expenses

Prepaid expenses (e.g., insurance, service agreements, lease agreements, etc.) should only be expensed during a given Agreement year to the extent goods and services are received during that Agreement year.

## **ACCOUNTING SYSTEM**

### **2.0 Double Entry Accounting System**

Each agent shall maintain a double entry accounting system (utilizing debits and credits) with a General Journal, a Cash Receipts Journal, a General Ledger, and a Cash Disbursements Journal. The County recommends that a Payroll Register also be maintained. Postings to the General Ledger and Journals should be made on a monthly basis.

#### 2.1 General Journal

A General Journal shall be maintained for recording adjusting entries, reversing entries, closing entries, and other financial transactions not normally recorded in the Cash Receipts Journal or Cash Disbursements Journal. Entries in the General Journal must be adequately documented, and entered in chronological order with sufficient explanatory notations.

Example: DR CR  
 Rent Expense 100  
 Rent Payable 100  
 To record accrued rent to March 31, 20XX

#### 2.2 Cash Receipts Journal

A Cash Receipts Journal shall be maintained for recording all cash receipts (e.g., County warrants, contributions, interest income, etc.). The Cash Receipts Journal shall contain (minimum requirements) the following column headings:

- date
- receipt number
- cash debit columns
- income credit columns for the following accounts:
  - County payments (one per funding source)
  - contributions
  - other Income (Grants, sales of supplies/services, rental income, miscellaneous revenue, fees, etc.)



- description (Entries in the description column must specify the source of cash receipts.)

### 2.3 Cash Disbursements Journal

A Cash Disbursements Journal shall be maintained for recording all cash disbursements (e.g., rent, utilities, maintenance, etc.).

The Cash Disbursements Journal shall contain (minimum requirements) the following column headings:

- date
- check number
- cash (credit) column
- expense account name
- description

Note (1) Separate expense columns are recommended for salary expense and other recurring expense classifications for each program.

Note (2) Entries in the description column must specify the nature of the expense and the corresponding expense classification if not included in the column heading.

Note (3) Checks should not be written to employees (other than payroll, mileage, travel, and petty cash custodian checks.)

A Check Register may be substituted for the Cash Disbursements Journal, but this is not recommended. If used, the Check Register must contain the same expense classifications and description information required when a Cash Disbursements Journal is used.

Disbursements without supporting documentation will be disallowed on audit. Cancelled checks and credit card statements (VISA, AMEX, department store, etc.) will not constitute acceptable support. (See Section A.3.2 and B.2.4) for additional guidance.

### 2.4 General Ledger

A General Ledger shall be maintained with accounts for all assets, liabilities, fund balances, expenditures, and revenues. Separate accounts must be maintained for each County program's expenses and revenues.

### 2.5 Chart of Accounts

A Chart of Accounts shall be maintained:

- The County recommends that agents use the expense account titles on the monthly invoice submitted to the County.

- If the contractor uses account titles which differ from the account titles on the monthly invoice, each account title must clearly identify the nature of the transaction(s) posted to the account.
- Contractor must consistently post transactions that are of a similar nature to the same account. For example, all expenses for travel shall be posted to the account titled "travel" or "travel expense" and not intermixed with other expense accounts.

## 2.6 Payroll Register

The County recommends that a Payroll Register be maintained for recording all payroll transactions. The Register should contain the following:

- Name
- Position
- Social Security Number
- Salary (hourly wage)
- Payment Record including:
  - accrual period
  - gross pay
  - itemized payroll deductions
  - net pay amount
  - check number

If a Payroll Register is not used, the information in (2.6) must be recorded in the cash disbursement journal.

CONTRACTOR will ensure compliance with all applicable federal and State requirements for withholding payroll taxes (FIT, FICA, FUTA, SIT, SIU, etc.), reporting, filing (941, DE-7, W-2, W-4 and 1099s), and all applicable tax deposits.

Contractor will ensure compliance with Internal Revenue Service guidelines in properly classifying employees and independent contractors.

## 2.7 Contractor Invoices

Each agent shall present an invoice to the County each calendar month to report the financial activity of the month. In addition, if advanced funding is involved, an invoice shall be presented at the beginning of the contract period. Invoices shall be prepared in the manner prescribed by the County's contracting department.

## 3.0 Records

Adequate care shall be exercised to safeguard the accounting records and supporting documentation. Any destruction or theft of the CONTRACTOR's accounting records or supporting documentation shall be immediately reported to the County.

### 3.1 Retention

All accounting records (e.g., journals, ledgers, etc.), financial records and supporting documentation (e.g., invoices, receipts, checks, etc.) must be retained for a minimum of five years after the termination of the CONTRACTOR's agreement.

### 3.2 Supporting Documentation

All revenues and expenditures shall be supported by original vouchers, invoices, receipts, or other documentation and shall be maintained in the manner described herein.

Invoices, receipts and canceled checks will be required to support an outlay of funds. Unsupported disbursements will be disallowed on audit. CONTRACTOR will be required to repay county for all disallowed costs. **Photocopied invoices or receipts, any internally generated documents (i.e., vouchers, request for check Forms, requisitions, canceled checks, etc.), and account statements do not constitute supporting documentation for purchases.**

Supporting documentation is required for various types of expenditures as follows:

**Payroll** - time and attendance records signed by the employee and approved in writing by the supervisor, time distribution records by program accounting for total work time on a daily basis for all employees, records showing actual expenditures for Social Security and unemployment insurance, State and federal quarterly tax returns, federal W-2 Forms, and federal W-4 Forms.

**Consultant Services** - contracts, time and attendance records, billing rates, travel vouchers detailing purpose, time and location of travel, purchase orders and invoices for supplies and invoices or other supporting documentation detailing the nature of services provided.

**Travel** - travel policies of the CONTRACTOR (written); travel expense vouchers showing location, date and time of travel, purpose of trip, and rates claimed; vehicle mileage logs showing dates, destination and headquarters, purpose of trip, and mileage. Travel related to conferences should include conference literature detailing purpose of the conference. Reimbursement rates for mileage shall not exceed applicable federal guidelines.

Reimbursement for actual receipts or per diem rates for meal expenses shall not exceed the maximum County's reimbursement rate for employees.

Receipts shall be required for lodging for approved out-of-town travel dates. Maximum reimbursable lodging amount is the maximum County's reimbursement rate for employees for a single occupancy hotel accommodation.

**Operating Expenses** (e.g., utilities, office supplies, equipment rentals, etc.) - bona fide contracts or lease agreements, if any, and invoices and receipts

detailing the cost and items purchased will constitute the primary supporting documentation. For internal control purposes, the CONTRACTOR may maintain vouchers, purchase orders, requisitions, stock received reports, bills of lading, etc.

**Outside Meals** - receipts and/or invoices for all meals, a record of the nature and purpose of each meal, and identification of the participants.

### 3.3 Payments to Affiliated Organizations or Persons

CONTRACTOR shall not make payments to affiliated organizations or persons for program expenses (e.g., salaries, services, rent, etc.) that exceed the lower of actual cost or the reasonable cost for such expenses. A reasonable cost shall be the price that would be paid by one party to another when the parties are dealing at arm's length (fair market price).

Organizations or persons (related parties) related to the CONTRACTOR or its members by blood, marriage, or through legal organization (corporation, partnership, association, etc.) will be considered affiliated for purposes of this Agreement. County shall be solely responsible for the determination of affiliation unless otherwise allowed and approved by the State or federal agencies.

Payments to affiliated organizations or persons will be disallowed on audit to the extent the payments exceed the lower of actual costs or the reasonable costs for such items.

### 3.4 Filing

All relevant supporting documentation for reported program expenditures and revenues shall be filed in a systematic and consistent manner. It is recommended that supporting documents be filed as follows:

- checks - numerically
- invoices - vendor name and date
- vouchers - numerically
- receipts - chronologically
- timecards - pay period and alphabetically

### 3.5 Referencing

Accounting transactions posted to the CONTRACTOR's books shall be appropriately cross-referenced to supporting documentation. It is recommended that expenditure transactions on the CONTRACTOR's books be cross-referenced to the supporting documentation as follows:

- invoices - vendor name and date
- checks - number
- vouchers - number
- revenue - receipt number

Supporting documentation for non-payroll expenditures (i.e., operating expenditures) should be cross-referenced to the corresponding check issued for payment. If multiple invoices are paid with one check, all related invoices should be bound together and cross-referenced to the check issued for payment.

#### **4.0 Donations and Other Sources of Revenue**

Restricted donations and other sources of revenue earmarked specifically for the Contract must be utilized on allowable contract expenditures.

#### **5.0 Audits**

The agent will make available for inspection and audit to County representatives, upon request, during working hours, during the duration of the contract and for a period of five years thereafter, all of its books and records relating to the operation by it of each project or business activity which is funded in whole or part with governmental monies, whether or not such monies are received through the County. All such books and records shall be maintained at a location within Los Angeles County.

#### **6.0 Single Audit Requirements**

OMB Circular 133, "Audits of State, Local Governments and Non Profit Organizations" requires that certain organizations receiving federal awards, including pass-through awards, have annual audits. Details are contained in the respective Circular.

A copy of any Single Audit reports must be filed with the County within the timeframes prescribed by the applicable Circular.

#### **7.0 Subcontracts**

No CONTRACTOR shall subcontract services without the prior written consent of the County.

CONTRACTOR shall provide County with copies of all executed subcontracts and shall be responsible for the performance of their subcontractors.

### **B. INTERNAL CONTROLS**

Internal controls safeguard the CONTRACTOR's assets from misappropriations, misstatements or misuse. Each CONTRACTOR shall prepare necessary written procedures establishing internal controls for its personnel. The CONTRACTOR shall instruct all of its personnel in these procedures and continuously monitor operations to ensure compliance with them.

#### **1.0 Cash Receipts**

##### **1.1 Separate Fund or Cost Center**

All contract revenues shall be maintained in a bank account. If revenues from other sources are maintained in the same bank account, revenues for each source must be clearly identifiable on the accounting records through the use of cost centers or separate accounts.

## 1.2 Deposits

All checks shall be restrictively endorsed upon receipt.

Cash received shall be recorded on pre-numbered receipts. Checks shall be recorded on a check remittance log at the time of receipt.

Cash receipts (i.e., cash and checks) totaling \$500 or more shall be deposited within one day of receipt. Collections of less than \$500 may be held and secured and deposited weekly or when the total reaches \$500, whichever occurs first.

Duplicate deposit slips shall be retained and filed chronologically, and shall contain sufficient reference information for comparison to the Cash Receipts Journal (and individual receipts, if applicable).

## 1.3 Separation of Duties

An employee who does not handle cash shall record all cash receipts.

## 1.4 Bank Reconciliation's

Bank statements should be received and reconciled by someone with no cash handling, check writing, or bookkeeping functions.

Monthly bank reconciliations should be prepared within 30 days of the bank statement date and reviewed by management for appropriateness and accuracy. The bank reconciliation's should be signed by both the preparer and the reviewer. Reconciling items should be resolved timely.

# 2.0 Disbursements

## 2.1 General

All disbursements for expenditures, other than petty cash, shall be made by check.

Blank check stock shall be secured and accounted for to preclude unauthorized use.

Checks shall not be payable to "cash" or signed in advance. Checks written to employees for reimbursement of out-of-pocket costs must be supported by receipts and invoices.

A second signature shall be required on all checks, unless otherwise specified in contract.

If the bookkeeper signs checks, a second signature shall be required on the checks, regardless of limits specified in contract.

Voided checks shall be marked void with the signature block cut out. The voided checks must be filed with the cancelled checks.

Unclaimed or undelivered checks shall be cancelled periodically.

All supporting documentation shall be referenced to check numbers and marked "paid" or otherwise canceled to prevent reuse or duplicate payments.

Disbursements without adequate supporting documentation will be disallowed on audit.

## 2.2 Approvals and Separation of Duties

Employees responsible for approving cash disbursements and/or signing of checks shall examine all supporting documentation at the time the checks are approved and signed.

All disbursements, excluding petty cash purchases, shall be approved by persons independent of check preparation and bookkeeping activities.

## 2.3 Petty Cash

A petty cash fund up to \$500 may be maintained for payment of small incidental expenses incurred by the CONTRACTOR (e.g., postage due, small purchases of office supply items, etc.). The CONTRACTOR must obtain written approval from the County to establish a petty cash fund greater than \$500.

Petty cash disbursements must be supported by invoices, store receipts or other external authenticating documents indicating the item purchased and the employee making the purchase. In the event that outside (external) supporting documentation is not obtainable for minor disbursements (under \$10), such as parking meters, etc., then documentation shall be considered as proper supporting documentation on a basis of reasonableness. Petty cash disbursements should not be used as a substitute for normal purchasing and disbursement practices i.e., payment by check).

The petty cash fund shall be maintained on an interest basis. A check should be drawn to set up the fund and to make periodic reimbursements. Receipts, vouchers, etc., supporting each fund replenishment must be bound together, filed chronologically and cross referenced to the reimbursement check.

## 2.4 Credit Cards

The use of credit cards, both CONTRACTOR issued credit cards and an employee's personal credit cards used on behalf of the CONTRACTOR, should be limited to purchases where normal purchasing and disbursement practices are not suitable.

Credit cards issued in the CONTRACTOR's name must be adequately protected and usage monitored to ensure that only authorized and necessary items are purchased.

Credit card purchases should be pre-approved by CONTRACTOR management to ensure that they are reasonable and necessary.

All credit card disbursements must be supported by original invoices, store receipts or other external authenticating documents indicating the item purchased and the employee making the purchase. Credit card statements are not sufficient support for credit card purchases.

### **3.0 Timekeeping**

#### **3.1 Timecards**

Timecards or time reports must be prepared for each pay period. Timecards or time reports must indicate total hours worked each day by program and total hours charged to each of the CONTRACTOR's programs. Time estimates do not qualify as support for payroll expenditures and will be disallowed on audit.

All timecards and time reports must be signed in ink by the employee and the employee's supervisor to certify the accuracy of the reported time.

#### **3.2 Personnel and Payroll Records**

Adequate security must be maintained over personnel and payroll records with access restricted to authorized individuals.

Personnel and payroll records should include (but not be limited to) the following:

- Employee's authorized salary rate
- Employee information sheet
- Resume and/or application
- Proof of qualifications for the position, if required (e.g., notarized copy or original diploma, license, etc.)
- Performance evaluations
- Criminal record clearance
- Citizenship Status
- Benefit balances (e.g., sick time, vacation, etc.)

#### **Benefit Balances**

Employee benefit balances (e.g., sick time, vacation, personal time, etc.) should be maintained on at least a monthly basis. Benefit balances should be increased when benefit hours are earned and decreased as hours are used.

#### **Limitations on Positions and Salaries**

The CONTRACTOR shall pay no salaries higher than those authorized in the contract, or the attachments thereto, except as proscribed by state or federal law.

If an employee serves in the same or dual capacities under more than one Agreement or program, the employee may not charge more than 100% of their time to the contracts or programs taken as a whole.



Salaried employees who work less than 40 hours per week shall be paid a salary that corresponds with the employee's work schedule.

The salary expense of salaried employees working on more than one Agreement or program shall be allocated to each program based on the ratio of the number of hours worked on each program during the pay period to the total number hours worked during the pay period.

The CONTRACTOR will make no retroactive salary adjustment for any employee without written approval from the County.

#### Separation of Duties

Payroll checks should be distributed by persons not involved in timekeeping, preparing of payroll, or reconciling bank accounts.

All employee hires and terminations, or pay rate changes, shall be approved by authorized persons independent of payroll functions.

All employee hires and terminations, or pay rate changes shall be approved in writing by authorized persons independent of payroll functions.

### **4.0 Fixed Assets**

A fixed asset is defined as an article of nonexpendable tangible personal property having a useful life of more than two years. The County recommends all fixed assets with an acquisition cost of \$1,000 or more per unit be capitalized.

Acquisition cost means the net invoice unit price of an item, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired.

#### **4.1 Acquisition**

Fixed asset purchases shall be approved by the Agency's Board of Directors or their authorized representative.

#### **4.2 Identification and Inventory**

All fixed assets purchased with Contract funds are to be used solely for the benefit of the Contract and should be appropriately tagged.

Each CONTRACTOR shall maintain a current listing of fixed assets, including the item description, serial number, date of purchase, acquisition cost and sources of funding.

An inventory of all fixed assets should be conducted at least once each year to ensure that all fixed assets are accounted for and maintained in proper working order.

#### 4.3 Security

Physical security should be adequately maintained over fixed assets to prevent misuse and theft of County property.

#### 4.4 Property Management

The CONTRACTOR shall assume responsibility and accountability for the maintenance of all non-expandable property purchased, leased, or rented with Contract funds.

The CONTRACTOR shall report promptly, in writing, to the County all cases of theft, loss, damage, or destruction of fixed assets. The report shall contain at a minimum, item identification, recorded value, facts relating to loss, and a copy of the law enforcement report.

CONTRACTOR shall dispose of or return to the County all fixed assets, in accordance with their Contract.

### 5.0 Bonding

All officers, employees, and agents who handle cash or have access to the agent's funds shall be bonded.

## C. **COST PRINCIPLES**

### 1.0 Policy

It is the intent of the county to provide funds for the purpose of CONTRACTOR providing services required by the Agreement. CONTRACTOR shall use these funds on actual expenses in an economical and efficient manner and ensure they are reasonable, proper and necessary costs of providing services and are allowable in accordance with the applicable OMB Circular.

#### 1.1 Limitations on Expenditures of Program Funds

CONTRACTOR shall comply with the Agreement and the applicable OMB Circular. The Circular defines direct and indirect costs, discusses allowable cost allocation procedures and the development of Indirect Cost Rates, and specifically addresses the allowability of a variety of different costs.

If a CONTRACTOR is unsure of the allowability of any particular type of cost or individual cost, the CONTRACTOR should request advance written approval from the County prior to incurring the cost.

#### 1.2 Expenses Incurred Outside the Agreement Period

Expenses charged against program funds may not be incurred prior to the effective date of the Agreement or subsequent to the Agreement termination date.

### 1.3 Budget Limitation

Expenses may not exceed the maximum limits shown on the contract budget.

### 1.4 Unspent Funds

The County will determine the disposition of unspent program funds upon termination of the contract.

### 1.5 Necessary, Proper and Reasonable

Only those expenditures that are necessary, proper and reasonable to carry out the purposes and activities of the Program are allowable.

## **2.0 Allocation of Cost Pools**

For CONTRACTORS that provide services in addition to the services required under contract, the CONTRACTOR shall allocate expenditures that benefit programs or funding sources on an equitable basis.

In accordance with the applicable OMB Circular, agencies shall define their allocable costs as either direct or indirect costs (as defined below) and allocate each cost using the basis most appropriate and feasible.

The CONTRACTOR shall maintain documentation related to the allocation of expenses (e.g., timecards, time summaries, square footage measurements, number of employees, etc.).

Under no circumstances shall allocated costs be charged to an extent greater than 100% of actual costs or the same cost be charged both directly and indirectly.

### 2.1 Direct Costs

Direct costs are those costs that can be identified specifically with a particular final cost objective (i.e., a particular program, service, or other direct activity of an organization). Examples of direct costs include salaries and benefits of employees working on the program, supplies and other items purchased specifically for the program, costs related to space used by employees working on the program, etc.

For all employees, other than general and administrative, the hours spent on each program (activity) should be recorded on employees' timecards and the payroll expense should be treated as direct charges and distributed on the basis of recorded hours spent on each program.

Joint costs (i.e., costs that benefit more than one program or activity) which can be distributed in reasonable proportion to the benefits received may also be direct costs.

Examples of bases for allocating joint costs as direct costs:

Number of direct hours spent on each program  
Number of employees in each program  
Square footage occupied by each program  
Other equitable methods of allocation

## 2.2 Indirect Costs

Indirect costs are those costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Examples of indirect costs include salaries, employee benefits, supplies, and other costs related to general administration of the organization, depreciation and use allowances, and the salaries and expenses of executive officers, personnel administration, and accounting.

Examples of bases for allocating indirect costs:

Total direct salaries and wages  
Total direct costs (excluding capital expenditures and other distorting items such as subcontractor payments)

## 2.3 Acceptable Indirect Cost Allocation Methods

OMB Circulars describe the following allowable methods for allocating indirect costs:

Simplified allocation method  
Direct allocation method  
Multiple allocation base  
Negotiated indirect cost rate

### Simplified Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all allocable costs are considered indirect costs and an indirect cost rate is determined by dividing total allowable indirect costs by an equitable distribution base.

#### Example

Agency-wide indirect costs \$250,000  
Less: Capital expenditures 10,000

Allocable indirect costs 240,000  
Total agency-wide indirect salaries \$1,000,000

Indirect cost rate ( $\$240,000/\$1,000,000$ ) 24%  
Program direct salaries \$100,000

Program indirect costs ( $24\% \times \$100,000$ ) \$24,000

### Direct Allocation Method

This method can also be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all costs except general administration and general expenses are treated as direct costs. Joint costs for depreciation, rental, facilities maintenance, telephone, and other similar expenses are prorated individually to each direct activity on a basis appropriate for that type of cost.

The remaining costs, which consist exclusively of general administration and general expenses are then allocated using the simplified allocation method previously discussed.

### Multiple Base Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs in varying degrees. Using this method, indirect costs are grouped to permit allocation of each grouping on the basis of the benefits provided to the major functions. Each grouping is then allocated individually using the basis most appropriate for the grouping being allocated.

## 2.4 Cost Allocation Plan

If the CONTRACTOR has a negotiated indirect cost rate approved by a federal agency, it shall submit a copy of the approval letter when requested by County.

If the CONTRACTOR does not have a negotiated indirect cost rate, CONTRACTOR shall submit an annual Agency-wide Cost Allocation Plan when requested by County. The Cost Allocation Plan shall be prepared in accordance with County instructions and the applicable OMB Circular and include the following information:

1. CONTRACTOR general accounting policies:
  - Basis of accounting (cash or accrual)
  - Fiscal year
  - Method for allocating indirect costs (simplified, direct, multiple, negotiated rate)
  - indirect cost rate allocation base
2. Identify the CONTRACTOR's direct and indirect costs (by category) and describe the cost allocation methodology for each category.
3. Signature of CONTRACTOR management certifying the accuracy of the plan.

### Negotiated Indirect Cost Rates

Agencies have the option of negotiating an indirect cost rate or rates for use on all their Federal programs. The CONTRACTOR must submit a cost allocation plan to the federal agency providing the most funds to the

organization. The approved indirect cost rate is then applied to the total approved direct cost base.

If CONTRACTOR has a federally approved indirect cost rate, CONTRACTOR shall submit a copy of the approval letter to county upon request.

#### **D. UNALLOWABLE COSTS**

OMB Circulars address the allowability of a variety of different costs. For all costs, there are certain restrictions and limitations; however, the following costs are not allowable under any circumstances:

- Bad debts
- Contingency provisions
- Contributions and donations
- Fines and penalties
- Fundraising activities
- Interest expense (unless expressly allowed by Federal guidelines)
- Losses on other awards

#### **E. OVERPAYMENTS**

If upon audit, or at any time during the Agreement year, it is determined that invoices submitted to the County and used as a basis for payments to the CONTRACTOR were inaccurate, County shall determine the total overpayment and require the CONTRACTOR to repay County. The County may withhold payments from CONTRACTOR's future payments for any amounts not returned to the county or credited to the Contract unless otherwise prohibited by State or federal regulations.

#### **F. MISCELLANEOUS REQUIREMENTS**

##### **1.0 Insurance**

CONTRACTOR is responsible for securing and maintaining insurance coverage as required by the Agreement. CONTRACTOR must notify County when insurance is revoked, reduced to a level or coverage less than required, or otherwise made ineffective.

Insurance shall include an endorsement naming the county as an additional insured.

##### **2.0 Activity**

No funds, materials, property, or services contributed to the county or the CONTRACTOR under this Agreement shall be used in the performance of any political activity, the election of any candidate, or the defeat of any candidate for public office.

Department of the Treasury  
Internal Revenue Service  
Notice 1015

EXHIBIT H

Have You Told Your Employees About the Earned Income Credit (EIC)?

**What Is the EIC?**

The EIC is a refundable tax credit for certain workers.

**A change to note.** Workers **cannot** claim the EIC if their 2000 investment income (such as interest and dividends) is over \$2,400.

**Which Employees Must I Notify About the EIC?**

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on **Form W-4**, Employee's Withholding Allowance Certificate.

**Note:** You are encouraged to notify each employee whose wages for 2000 are less than \$31,152 that he or she may be eligible for the EIC.

**How and When Must I Notify My Employees?**

You must give the employee one of the following:

s The IRS **Form W-2**, Wage and Tax Statement, which has the required information about the EIC on the back of **Copy B**.

e A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.

9 **Notice 797**, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).

9 Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2001.

You must hand the notice directly to the employee or send it by First-Class Mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice by calling 1-800-829-3676. You can also get the notice from the IRS Web Site at [www.irs.gov](http://www.irs.gov).

**How Will My Employees Know If They Can Claim the EIC?**

The 2000 instructions for Forms 1040, 1040A, and 1040EZ, and **Pub. 596**, Earned Income Credit, explain who can claim the EIC. Generally, any employee who meets the following requirements may be able to claim the EIC for 2000.

**Note:** An employee **cannot** claim the EIC if he or she files *Form 2555 or Form 2555-EZ (relating to foreign earned income)*. Also, an employee who is a nonresident alien for any part of 2000 cannot claim the EIC unless he or she is married to a U.S. citizen or resident and elects to be taxed as a resident alien for all of 2000.

The employee's 2000 earned income and modified adjusted gross income are both under \$27,413 (under \$31,152 if the employee has more than one qualifying child; under \$10,380 if the employee does not have a qualifying child). **Earned income** for this purpose does not include amounts paid to inmates in penal institutions for their work.

\* The employee's filing status is any status **except** married filing a separate return.

\* The employee (and the employee's spouse if filing a joint return) is not a qualifying child of another person.

\* For an employee without a qualifying child, the employee is at least age 25 but under 65 at the end of 2000. Also, no one may be entitled to claim the employee as a dependent and the employee's home must be in the United States for over half of 2000. If the employee is married filing a joint return, other rules apply.

**How Do My Employees Claim the EIC?**

Eligible employees claim the EIC on their 2000 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2000 and owes no tax but is eligible for a credit of \$797, he or she must file a 2000 tax return to get the \$797 refund.

**How Do My Employees Get Advance EIC Payments?**

Eligible employees who expect to have a qualifying child for 2001 can get part of the credit with their pay during the year by giving you a completed Form W-5, Earned Income Credit Advance Payment Certificate. You must include advance EIC payments with wages paid to these employees, but the payments are not wages and are not subject to payroll taxes. Generally, the payments are made from withheld income, social security, and Medicare taxes. For details, see Pub. 15, Employer's Tax Guide.

(Rev. October 2000)

Notice 1015  
(Rev. 10-2000)

**COMPUTER ASSISTANT TECHNICIAN SERVICES - AGREEMENT NO. 72542****COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM  
APPLICATION FOR EXCEPTION AND CERTIFICATION FORM**

The County's solicitation for this contract/purchase order (Request for Proposal or Invitation for Bid) is subject to the County of Los Angeles Contractor Employee Jury Service Program (Program) (Los Angeles County Code, Chapter 2.203). All bidders or proposers, whether a contractor or subcontractor, must complete this form to either 1) request an exception from the Program requirements or 2) certify compliance. Upon review of the submitted form, the County department will determine, in its sole discretion, whether the bidder or proposer is excepted from the Program.

<b>Company Name:</b>		
<b>Company Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip Code:</b>
<b>Telephone Number:</b>		
<b>Solicitation For (Type of Goods or Services):</b>		

**Complete Part I or Part II below, as appropriate.**

**Part I - Application for Exception From the Program**

I request an exception from the Program for the following reason(s) (check the appropriate box(es) and attach documentation that supports your claim):

- ☐ My business does not meet the definition of "contractor," as defined in the Program," because my business has not received an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts (this exception is not available if the contract/purchase order itself will exceed \$50,000 in any 12 month period). I understand that the exception will be lost and I must comply with the Program if my revenues from the County exceed an aggregate sum of \$50,000 in any 12-month period.
- ☐ My business is a small business as defined in the Program. It 1) has 10 or fewer employees; and, 2) has annual gross revenues in the preceding twelve months which, if added to the annual amount of this contract, are \$500,000 or less; and, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined below. I understand that the exemption will be lost and I must comply with the Program if the number of employees in my business and my gross annual revenues exceed the above limits.

**"Dominant in its field of operation"** means having more than 10 employees, including full-time and part-time employees, and annual gross revenues in the preceding twelve months, which, if added to the annual amount of the contract awarded, exceed \$500,000.

**"Affiliate or subsidiary of a business dominant in its field of operation"** means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

- ☐ My business is subject to a Collective Bargaining Agreement (attach agreement) that expressly provides that it supersedes all provisions of the Program.

**OR**

**Part II - Certification of Compliance**

My business has and adheres to a written policy that provides, on an annual basis, no less than five days of regular pay for actual jury service for full-time employees of the business who are also California residents, or my company will have and adhere to such a policy prior to award of the contract.

***I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.***

<b>Print Name:</b>	<b>Title:</b>
<b>Signature:</b>	<b>Date:</b>



**COMPUTER ASSISTANT TECHNICIAN SERVICES - AGREEMENT NO. 72542**

**Los Angeles County Code Sections 2.203.010 through 2.203.090  
“Contractor Employee Jury Service”**

**2.203.010 Findings.**

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

**2.203.020 Definitions.**

The following definitions shall be applicable to this chapter:

- A. “Contractor” means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. “Employee” means any California resident who is a full-time employee of a contractor under the laws of California.
- C. “Contract” means any agreement to provide goods to, or perform services for or on behalf of, the county.
- D. “Full time” means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard as determined by the chief administrative officer.
- E. “County” means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0015 § 1 (part), 2002)

**2.203.030 Applicability.**

This chapter shall apply to contractors who enter into contracts that commence two or more months after the effective date of this chapter. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence two or more months after the effective date of this chapter. (Ord. 2002-0015 § 1 (part), 2002)

**2.203.040 Contractor Jury Service Policy.**

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees’ regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

## **2.203.050 Other Provisions.**

A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

## **2.203.060 Enforcement and Remedies.**

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

## **2.203.070. Exceptions.**

A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.

B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:

1. Has ten or fewer employees during the contract period; and,
2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

## **2.203.090. Severability.**

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

**AMENDMENT THREE TO AGREEMENT NUMBER 72543**  
**BETWEEN THE COUNTY OF LOS ANGELES AND**  
**RICHARD FU EXTENDING THE AGREEMENT FOR**  
**COMPUTER ASSISTANT TECHNICIAN SERVICES**

**COUNTY OF LOS ANGELES**  
**Department of Children and Family Services**  
**425 Shatto Place**  
**Los Angeles, CA 90020**

**November 2002**

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**AMENDMENT THREE TO AGREEMENT NUMBER 72543 BETWEEN THE  
COUNTY OF LOS ANGELES AND RICHARD FU EXTENDING THE TERM OF  
THE AGREEMENT FOR COMPUTER ASSISTANT TECHNICIAN SERVICES**

This Amendment Three to Agreement Number 72543 between the County of Los Angeles and Richard Fu for Computer Assistant Technician Services (hereinafter referred to as "CATS"), adopted by the Board of Supervisors on December 7, 1999 and as amended by Amendment One dated January 1, 2001 and Amendment Two dated July 30, 2002, is entered into by and between the County of Los Angeles and Richard Fu as of the Amendment Three Effective Date.

WHEREAS, in accordance with the terms and conditions of the Agreement, Richard Fu, an individual (hereinafter referred to as "CONTRACTOR"), has been providing CATS to the County of Los Angeles (hereinafter referred to as "COUNTY"); and

WHEREAS, COUNTY has a continued need for the services to be provided pursuant to the above referenced Agreement; and

WHEREAS, it is the intent of the parties hereto to amend the Agreement to extend its term and to make the changes described hereinafter; and

WHEREAS, COUNTY and CONTRACTOR agree to the terms of this Amendment Three to the Agreement;

NOW THEREFORE, pursuant to Section 2.8 (Changes and Amendments) of the Agreement, COUNTY and CONTRACTOR hereby agree to amend the Agreement as follows:

**1. Section 1.0, APPLICABLE DOCUMENTS, restates in its entirety Subsection 1.1 as follows:**

1.1 This Agreement Number 72543, as amended by Amendments One, Two and Three, and the Exhibits hereto (hereinafter collectively referred to as the "Agreement"), constitutes the complete and exclusive statement of understanding between the parties, which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Agreement.

1.1.1 Exhibits A, B, B-1, C, D, E, F, G, H, I, J and K set forth below are attached to and incorporated by reference in this Agreement.

1.1.2 In the event of any conflict in the definition or interpretation of any word, responsibility, service, schedule, or contents of a deliverable product between this Agreement and Exhibits, or among Exhibits, said conflict or inconsistency shall be resolved by giving

precedence first to the Agreement, and then to the Exhibits according to the following priority:

Exhibit A	- Statement of Work
Exhibit B	- Pricing Schedule
Exhibit B-1	- Budget
Exhibit C	- Contractor's Equal Employment (EEO) Certification
Exhibit D	- Community Business Enterprise (CBE) Form
Exhibit E	- Child Support Compliance Certification
Exhibit F	- Employee Acknowledgment and Confidentiality Agreement
Exhibit G	- Auditor-Controller Contract Accounting and Administration Handbook
Exhibit H	- Earned Income Credit Notice
Exhibit I	- Jury Service Program Certification
Exhibit J	- Los Angeles County Code 2.203 (Jury Service Program)
Exhibit K	- Assignment from Wareforce to Richard Fu

2. **Section 2.8, CHANGES AND AMENDMENTS, deletes in their entirety Subsections 2.8.4, 2.8.4.1, 2.8.4.2, 2.8.4.3 and 2.8.4.4.**

3. **Section 4.0, TERM AND TERMINATION, adds Subsection 4.2 as follows:**

4.2 Amendment Three shall extend the term of the Agreement by six (6) months following the expiration of the second optional renewal period on December 31, 2002. The extended term shall commence on January 1, 2003 or date of approval by COUNTY Board of Supervisors, whichever is later (the "Amendment Three Effective Date"), and shall continue through June 30, 2003, unless terminated earlier as provided herein. The Effective Date of Amendment Three shall be the date of approval by COUNTY Board of Supervisors.

4. **Section 5.0, CONTRACT SUM, adds Subsections 5.1, 5.2, 5.3, 5.4 and 5.5 as follows:**

5.1 COUNTY and CONTRACTOR agree that this is a firm-fixed price contract. During the term of this Agreement, COUNTY shall compensate CONTRACTOR for the services set forth in Exhibit A, Statement of Work, and at the rate of compensation set forth in Exhibit B, Pricing Schedule.

5.2 The maximum amount payable under this Agreement for the Amendment Three extension period shall not exceed Three Hundred Fifty Eight Thousand Four Hundred Forty Dollars (\$358,440), Maximum Annual Contract Sum.

- 5.3 CONTRACTOR has prepared and submitted to COUNTY a budget segregating direct and indirect costs and profit for the work to be performed by CONTRACTOR under this Agreement. Budgeted expenses shall be reduced by applicable CONTRACTOR revenues, which are identified thereon. The line items shall provide sufficient detail to determine the quality and quantity of services to be delivered. This budget is attached hereto and incorporated by reference herein as Exhibit B-1, Budget. CONTRACTOR represents and warrants that the Budget is true and correct in all respects, and services shall be delivered hereunder in accordance with the Budget.
- 5.4 The Maximum Annual Contract Sum shall not exceed Three Hundred Fifty Eight Thousand Four Hundred Forty Dollars (\$358,440) for the contract period from January 1, 2003 through June 30, 2003.
- 5.5 COUNTY has no obligation to pay for expenditures by CONTRACTOR that exceed the Maximum Contract Sum or Maximum Annual Contract Sum.
5. **Section 21.0, LIMITATION OF COUNTY'S OBLIGATION DUE TO NON-APPROPRIATION OF FUNDS, adds subsection 21.5 as follows:**
- 21.5 Notwithstanding anything to the contrary in this Agreement, CONTRACTOR understands and agrees that COUNTY shall in no way be obligated under this Agreement, or otherwise, unless and until sufficient funding is approved, authorized, committed, and provided to the COUNTY by and through (1) the United States Department of Health & Human Services, Administration for Children and Families, and (2) the State of California.
6. **Section 22.0, NOTICES, restates in its entirety Subsection 22.1 as follows:**
- 22.0 NOTICES
- 22.1 All notices shall be given in writing by enclosing the same in a sealed envelope addressed to the intended party and by depositing such envelope with postage prepaid at a United States Post Office or any substation or in a public letterbox. All notices to COUNTY shall be sent in duplicate addressed to the following:

Marjorie Kelly, Interim Director  
Department of Children and Family Services  
425 Shatto Place  
Los Angeles, California 90020

and

Department of Children and Family Services  
Contract Management Services  
Attention: Contract Administrator  
425 Shatto Place, Room 205  
Los Angeles, California 90020

All notices to CONTRACTOR shall be sent to:

Richard Fu, Owner  
5601 E. Slauson Ave., Suite 203  
Commerce, CA 90040

or such other person and/or location as may hereinafter be designated in writing by the CONTRACTOR.

7. **Except as specifically provided to the contrary in this Amendment Three, all other terms and conditions of the Agreement shall remain in full force and effect.**



**AMENDMENT THREE TO AGREEMENT NUMBER 72543 BETWEEN THE  
COUNTY OF LOS ANGELES AND RICHARD FU EXTENDING THE TERM OF  
THE AGREEMENT FOR COMPUTER ASSISTANT TECHNICIAN SERVICES**

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Three to be subscribed by its Chair and the seal of such Board to be hereto affixed and attested by the Executive Office thereof, and CONTRACTOR has caused this Amendment Three to be subscribed in its behalf by its duly authorized officer. The person signing on behalf of the CONTRACTOR declares, represents and warrants under penalty of perjury under the laws of the state of California that he or she is authorized to bind the CONTRACTOR.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Chair, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS  
Executive Officer-Clerk of the  
Los Angeles County  
Board of Supervisors

By \_\_\_\_\_  
Deputy

RICHARD FU, an individual  
\_\_\_\_\_  
CONTRACTOR

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

APPROVED AS TO FORM:

LLOYD W. PELLMAN  
County Counsel

BY \_\_\_\_\_  
John L. Geiger, Senior Deputy

**AMENDMENT THREE TO AGREEMENT 72543  
FOR COMPUTER ASSISTANT TECHNICIAN SERVICES  
BETWEEN THE COUNTY OF LOS ANGELES AND  
RICHARD FU**

**PRICE SCHEDULE**

The price for CATS is \$29.99 per hour for the duration of this Agreement, including any extended periods.

Upon commencement of the Agreement, CONTRACTOR shall provide twelve (12) computer assistant technicians to the County for the services set forth in the Statement of Work, Exhibit A. Each of these computer assistant technicians will work a maximum of 996 hours between January 1, 2003 through June 30, 2003.

Each CAT will work no more than 8 hours per day and no more than 40 hours per week.

---

Name

---

Title

---

Authorized Signature

---

Date

**BUDGET****EXHIBIT B-1**

**Computers Assistant Technician Service Agreement**  
**DETAILED LINE ITEM-BUDGET (Sample)**  
**January 1, 2003 - June 30, 2003**

			<b>Contractor's Monthly Costs</b>	<b>Total Charged to County</b>
<b>DIRECT COSTS</b>				
<b><u>Personnel Salaries and Employee Fringe Benefits</u></b>				
<b><u>Name</u></b>	<b><u>Annual, Monthly or Hourly Expense</u></b>	<b><u>Full Time Equivalent (%)</u></b>		
John Doe, President (Annual Salary)	\$100,000.00	0.05	\$416.67	\$0.00
Jane Doe, CAT Manager II (Annual Salary)	\$85,000.00	0.25	\$1,770.83	\$0.00
John Doe, CAT Manager I (Annual Salary)	\$75,000.00	0.50	\$3,125.00	\$0.00
Jane Doe, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Doe, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
Jane Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
Jane Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
Jane Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
Jane Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
Jane Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Smith, Office Manager (Annual Salary)	\$36,000.00	0.05	\$150.00	\$0.00
<b>TOTAL MONTHLY PERSONNEL SALARIES AND COSTS</b>			<b>\$45,714.36</b>	
<b>TOTAL MONTHLY AMOUNT CHARGED TO COUNTY</b>				<b>\$56,718.53</b>
<b>INDIRECT COSTS</b>				
<b><u>Other Cost and Expenses</u></b>				
Office Rent and Parking (Annual)	\$60,000.00	0.05	\$250.00	\$0.00
Liability and Workers Compensation Insurance Premiums (Annual)	\$50,000.00	0.05	\$208.33	\$0.00
Offsite parking expenses (Monthly)	\$500.00	1.00	\$500.00	\$0.00
Between sites mileage (Monthly)	\$1,200.00	1.00	\$1,200.00	\$0.00
Remote communications (cellular phones and pagers) (Monthly)	\$600.00	1.00	\$600.00	\$0.00
General project supplies and books (Monthly)	\$100.00	1.00	\$100.00	\$0.00
Postage (Monthly)	\$50.00	1.00	\$50.00	\$0.00
Photocopying (Monthly)	\$50.00	1.00	\$50.00	\$0.00
Landline telephone and fax (Monthly)	\$100.00	1.00	\$100.00	\$0.00
			<b>\$3,058.33</b>	<b>\$0.00</b>
<b>SUBTOTAL SALARIES, WAGES, COSTS AND EXPENSES:</b>			<b>\$ 48,773</b>	<b>\$ 56,719</b>
<b>TOTAL MONTHLY PROFIT (LOSS):</b>			<b>\$ 7,946</b>	
<b>TOTAL CONTRACT PROFIT (LOSS):</b>				<b><u>47,675.02</u></b>

**AMENDMENT TWO TO AGREEMENT NUMBER 72545**  
**BETWEEN THE COUNTY OF LOS ANGELES AND**  
**ISCOMP SYSTEMS, INC. EXTENDING THE TERM OF THE AGREEMENT**  
**FOR COMPUTER ASSISTANT TECHNICIAN SERVICES**

**COUNTY OF LOS ANGELES**  
**Department of Children and Family Services**  
**425 Shatto Place**  
**Los Angeles, CA 90020**

**November 2002**

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**AMENDMENT TWO TO AGREEMENT NUMBER 72545 BETWEEN THE  
COUNTY OF LOS ANGELES AND ISCOMP SYSTEMS, INC EXTENDING THE TERM  
OF THE AGREEMENT FOR COMPUTER ASSISTANT TECHNICIAN SERVICES**

This Amendment Two to Agreement Number 72545 between the County of Los Angeles and IsComp Systems, Inc., a California corporation, for Computer Assistant Technician Services (hereinafter referred to as "CATS"), adopted by the Board of Supervisors on December 7, 1999 and as amended by Amendment One dated January 1, 2001, is entered into by and between the County of Los Angeles and IsComp Systems, Inc. as of the Amendment Two Effective Date.

WHEREAS, in accordance with the terms and conditions of the Agreement, IsComp Systems, Inc., a California corporation (hereinafter referred to as "CONTRACTOR") has been providing CATS to the County of Los Angeles (hereinafter referred to as "COUNTY"); and

WHEREAS, COUNTY has a continued need for the services to be provided pursuant to the above referenced Agreement; and

WHEREAS, it is the intent of the parties hereto to amend the Agreement to extend its term and to make the changes described hereinafter; and

WHEREAS, COUNTY and CONTRACTOR agree to the terms of this Amendment Two to Agreement Number 72545;

NOW THEREFORE, pursuant to Section 2.8 (Changes and Amendments) of the Agreement, COUNTY and CONTRACTOR hereby agree to amend the Agreement as follows:

**1. Section 1.0, APPLICABLE DOCUMENTS, restates in its entirety Subsection 1.1 as follows:**

1.1 This Agreement Number 72545, as amended by Amendments One and Two, and the Exhibits hereto (hereinafter collectively referred to as the "Agreement"), constitutes the complete and exclusive statement of understanding between the parties, which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Agreement.

1.1.1 Exhibits A, B, C, D, E, F, G, H, I and J set forth below are attached to and incorporated by reference in this Agreement.

1.1.2 In the event of any conflict in the definition or interpretation of any word, responsibility, service, schedule, or contents of a deliverable product between this Agreement and Exhibits, or among Exhibits, said conflict or inconsistency shall be resolved by giving

precedence first to the Agreement, and then to the Exhibits according to the following priority:

Exhibit A	- Statement of Work
Exhibit B	- Pricing Schedule
Exhibit B-1	- Line Item Budget
Exhibit C	- Contractor's Equal Employment (EEO) Certification
Exhibit D	- Community Business Enterprise (CBE) Form
Exhibit E	- Child Support Compliance Certification
Exhibit F	- Employee Acknowledgment and Confidentiality Agreement
Exhibit G	- Auditor-Controller Contract Accounting and Administration Handbook
Exhibit H	- Earned Income Credit Notice
Exhibit I	- Jury Service Program Certification
Exhibit J	- Los Angeles County Code 2.203 (Jury Service Program)

**2. Section 2.6, CONTRACTOR's Program Manager, restates in its entirety Subsection 2.6.1 as follows:**

2.6.1 CONTRACTOR's Program Manager shall be the following person:

Jarone Johnson, Program Manager  
IsComp Systems, Inc.  
5777 West Century Boulevard, Suite 560  
Los Angeles, California 90045  
Phone Number: (310) 641-3260 x15  
Fax Number: (310) 641-4417  
Email: jjohnson@spicenet.net

**3. Section 2.8, CHANGES AND AMENDMENTS, is restated in its entirety as follows:**

**2.8 CHANGES AND AMENDMENTS**

The COUNTY reserves the right to change any portion of the work required under this Agreement, or make amendment to such other terms and conditions as may become necessary or reasonable. Any such revisions shall be accomplished in the following manner:

2.8.1 For any change which does not affect the period of performance, Maximum Contract Sum, Maximum Annual Contract Sum or payments, and which does not materially alter any term or condition included in this Agreement, an amendment shall be prepared, and

signed by CONTRACTOR and the Director. Approval of County Counsel must be obtained for any changes which affect the scope of work.

2.8.2 For any change which affects the period of performance, Maximum Contract Sum, Maximum Annual Contract Sum or payments, or which materially alters any other term or condition in this Agreement, a written amendment shall be prepared, signed by the CONTRACTOR, and thereafter submitted to COUNTY's Board of Supervisors for consideration and, if approved, execution.

2.8.3 For purposes of Sections 2.8.1 and 2.8.2, a change materially alters a term or condition included in this Agreement if it: (1) is significant as to price, quantity, quality or delivery when contrasted with the total costs or scope of the services being procured; (2) alters minimum requirements for prospective bidders, proposers or negotiating entities for this Agreement; or (3) would result in a change in the Maximum Contract Sum or Maximum Annual Contract Sum set forth in Section 5.0 of this Agreement.

**4. Section 3.0, CONTRACTOR'S SERVICES, restates in their entirety Subsections 3.1 and 3.3 as follows:**

3.1 Pursuant to the provisions of this Agreement, CONTRACTOR shall provide COUNTY with CATS as defined herein and as more fully set forth in Exhibit A, Statement of Work.

3.3 If the CONTRACTOR provides any tasks, Deliverables, goods, services, or other work, other than as specified in this Agreement, the same shall be deemed to be a gratuitous effort on the part of the CONTRACTOR, and the CONTRACTOR shall have no claim whatsoever against the COUNTY.

**5. Section 4.0, TERM AND TERMINATION, adds Subsection 4.2 as follows:**

4.2 Amendment Two shall extend the term of the Agreement by six (6) months following the expiration of the second optional renewal period on December 31, 2002. The extended term shall commence on January 1, 2003 or date of approval by COUNTY Board of Supervisors, whichever is later (the "Amendment Two Effective Date"), and shall continue through June 30, 2003, unless terminated earlier as provided herein. The Effective Date of Amendment Two shall be the date of approval by COUNTY Board of Supervisors.

**6. Section 5.0, CONTRACT SUM, adds Subsections 5.1, 5.2, 5.3, 5.4 and 5.5 as follows:**



- 5.1 COUNTY and CONTRACTOR agree that this is a firm-fixed price contract. During the term of this Agreement, COUNTY shall compensate CONTRACTOR for the services set forth in Exhibit A, Statement of Work, and at the rate of compensation set forth in Exhibit B, Pricing Schedule.
- 5.2 The maximum amount payable under this Agreement for the Amendment Two extension period shall not exceed Four Hundred Seventy-two Thousand One Hundred Four Dollars (\$472,104), Maximum Annual Contract Sum.
- 5.3 CONTRACTOR has prepared and submitted to COUNTY a budget segregating direct and indirect costs and profit for the work to be performed by CONTRACTOR under this Agreement. Budgeted expenses shall be reduced by applicable CONTRACTOR revenues, which are identified thereon. The line items shall provide sufficient detail to determine the quality and quantity of services to be delivered. This budget is attached hereto and incorporated by reference herein as Exhibit B-1, Budget. CONTRACTOR represents and warrants that the Budget is true and correct in all respects, and services shall be delivered hereunder in accordance with the Budget.
- 5.4 The Maximum Annual Contract Sum shall not exceed Four Hundred Seventy-two Thousand One Hundred Four Dollars (\$472,104) for the contract period from January 1, 2003 through June 30, 2003.
- 5.5 COUNTY has no obligation to pay for expenditures by CONTRACTOR that exceed the Maximum Contract Sum or Maximum Annual Contract Sum.

**7. Section 6.0, PAYMENTS AND INVOICES, restates in its entirety Subsection 6.9, and adds Subsections 6.10 and 6.11 as follows:**

- 6.9 CONTRACTOR is responsible for the accuracy of invoices submitted to COUNTY. Further, it is the responsibility of CONTRACTOR to reconcile or otherwise correct inaccuracies or inconsistencies in the invoices submitted by CONTRACTOR and to notify COUNTY of any overpayments received by CONTRACTOR. Overpayment received by CONTRACTOR, as verified by DCFS' Program Manager, or designee, shall be returned to COUNTY by CONTRACTOR within thirty (30) days of receiving notification of such overpayment, or will be set off against future payments due CONTRACTOR. Notwithstanding any other provision of this Agreement, CONTRACTOR shall return to COUNTY any and all payments that exceed the Maximum Contract Sum or Maximum Annual Contract Sum. Furthermore, CONTRACTOR shall return said payments within thirty (30) days of receiving notification of overpayment from the

COUNTY or immediately upon discovering such overpayment, whichever date is earlier.

6.10 CONTRACTOR shall not be paid for expenditures beyond the Maximum Contract Sum or Maximum Annual Contract Sum, and CONTRACTOR agrees that COUNTY has no obligation, whatsoever, to pay for any expenditures by CONTRACTOR that exceed the Maximum Contract Sum or the Maximum Annual Contract Sum.

6.11 CONTRACTOR shall notify COUNTY, in the manner set forth in Sections 6.0 and 22.0 of this Agreement, when expenditures under this Agreement total seventy-five percent (75%) of the Maximum Contract Sum or seventy-five percent (75%) of the Maximum Annual Contract Sum. Furthermore, CONTRACTOR shall notify COUNTY, in the manner set forth in Sections 6.0 and 22.0 of this Agreement, when this Agreement is within three (3) months of expiration. CONTRACTOR shall send these notices to those persons at those addresses, which are set forth in Sections 6.0 and 22.0.

**8. Section 10.0, ASSIGNMENT/DELEGATION OF RIGHTS, restates in its entirety Subsection 10.1, and adds Subsection 10.4 as follows:**

10.1 CONTRACTOR shall not assign its rights or delegate its duties hereunder, either in whole or in part, without the prior written consent of the Los Angeles COUNTY Board of Supervisors or the Director in the event the Director has the delegated authority to consent. Any attempted assignment and/or delegation without said consent shall constitute a default under Section 44.0 Events of Default and Section 18.0 Termination for Contractor's Default herein and shall be null and void, subject to waiver by COUNTY. If CONTRACTOR is a corporation, partnership, limited liability company or other entity, then an assignment requiring COUNTY's consent hereunder shall also include any sale, exchange, assignment, divestment or change in members, directors or officers giving majority control of CONTRACTOR to any person(s) or legal entity other than the majority in control of CONTRACTOR at the time of execution of this Agreement. Any payments by COUNTY to CONTRACTOR or its assignee, or acceptance of any payments by COUNTY from CONTRACTOR or its assignee on any claim under this Agreement shall not waive or constitute such COUNTY consent.

10.4 Any payments by COUNTY to any delegatee or assignee on any claim under this Agreement shall reduce dollar for dollar any claims which CONTRACTOR may have against COUNTY and shall be subject to set-off, recoupment, or other reduction for any claims which COUNTY may have against CONTRACTOR, whether under this Agreement or otherwise.

**9. Section 11.0, RECORDS AND AUDITS, is restated in its entirety as follows:**

## 11.0 RECORDS AND AUDITS

- 11.1 CONTRACTOR shall maintain accurate and complete financial records of all its activities and operations relating to this Agreement in accordance with generally accepted accounting principles and which meet the requirements for contract accounting described in Auditor-Controller Contract Accounting and Administration Handbook. CONTRACTOR shall also maintain accurate and complete employment and other records relating to its performance of this Agreement.
- 11.2 CONTRACTOR agrees that COUNTY, or its authorized representatives, the State of California, or its authorized representatives, or the Federal Government, or its authorized representatives, including, but not limited to, the U. S. Comptroller General, shall have access to and the right to examine, audit, excerpt, copy or transcribe any pertinent transaction, activity, or records relating to this Agreement. All such material, including, but not limited to, all financial records, timecards and other employment records and confidential information, shall be kept and maintained by CONTRACTOR at a location in the County of Los Angeles and shall be made available to COUNTY, State or Federal authorities, during the term of this Agreement and for a period of five (5) years thereafter unless COUNTY's written permission is given to dispose of any such material prior to such time. If such material is located outside of the County of Los Angeles, then, at COUNTY's sole option, CONTRACTOR shall pay COUNTY for travel per diem and other costs incurred by COUNTY in exercising its rights under this Section. CONTRACTOR shall maintain all records in accordance with California State records and retention regulations including the provisions of California Department of Social Services Manual, Section 23-353.
- 11.3 In the event that an audit is conducted of CONTRACTOR specifically regarding this Agreement by any Federal or State auditor, or by any auditor employed by CONTRACTOR or otherwise, then CONTRACTOR shall file a copy of such audit report with COUNTY's Auditor-Controller within thirty (30) days of CONTRACTOR's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. COUNTY shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 11.4 CONTRACTOR shall be responsible for annual financial audits of its agency and its subcontractor(s) if required by COUNTY and/or the California Department of Social Services (CDSS), to be conducted by an independent audit firm and in accordance with generally accepted auditing standards. Within thirty (30) calendar days after issuance of the audit reports, CONTRACTOR shall forward copies of such reports to DCFS.

- 11.5 CONTRACTOR shall, during normal business hours, allow appropriate County, State and Federal agencies, including CDSS, COUNTY's Auditor-Controller or its designee to evaluate, audit, review, inspect and monitor its accounting books and records of program operations, including the interview of CONTRACTOR's staff, insurance agents, banks, personnel, vendors and subcontractor(s). Methods may include the inspection of accounting ledgers, journals, canceled checks, timecards, personnel records, fringe benefit rate notices, receipts and invoices, payroll tax records, subcontracts, space and equipment lease agreements, and other relevant accounting books, records, worksheets and logs as appropriate for ensuring CONTRACTOR's accountability of expenditures and program performance under this Agreement. CONTRACTOR shall ensure the cooperation of all subcontractor(s), its staff, and Board members in all such efforts.
- 11.6 All uses of funds paid to CONTRACTOR and other financial transactions related to CONTRACTOR's provision of services under this Agreement are subject to review and/or audit by DCFS, COUNTY's Auditor-Controller or its designee, or the State of California. In the event this Agreement is subject to Audit exceptions, CONTRACTOR shall pay to COUNTY, upon demand by COUNTY, the full amount of CONTRACTOR's liability for such audit exceptions, as determined by DCFS.
- 11.7 Failure on the part of CONTRACTOR to comply with the provisions of this Section shall constitute a material breach of this Agreement upon which COUNTY may withhold reimbursement or terminate this Agreement.
- 10. Section 14.0, COMPLIANCE WITH APPLICABLE LAWS, adds Subsections 14.1.1, 14.1.2 and 14.1.3 as follows:**
- 14.1.1 CONTRACTOR acknowledges that this Agreement will be funded, in part, with federal funds; therefore, CONTRACTOR agrees that it shall comply with all applicable federal laws and regulations pertaining to such federal funding. Said federal laws and regulations include, but are not limited to, 45 CFR Section 92.36, et seq.
- 14.1.2 CONTRACTOR shall comply with all applicable laws pertaining to confidentiality. This shall include but is not limited to the confidentiality provisions of Section 827 and Section 10850 of the California Welfare and Institutions Code and MPP Division 19.
- 14.1.3 CONTRACTOR agrees to comply fully with the terms of Executive Order 11246, entitled Equal Employment Opportunity as amended

by Executive Order 11375, and as supplemented by Department of Labor Regulations (41 CFR Part 60).

**11. Section 18.0, TERMINATION FOR DEFAULT, is restated in its entirety as follows:**

**18.0 TERMINATION FOR CONTRACTOR'S DEFAULT**

- 18.1 Upon determining the existence of any one or more of the circumstances heretofore described in Section 44.0, Events of Default, this Agreement may be subject to termination either immediately or within such longer time period as noticed by COUNTY.
- 18.2 In the event COUNTY terminates this Agreement in whole or in part as provided in this Agreement, COUNTY may procure, upon such terms and in such manner as COUNTY may deem appropriate, services similar to those previously provided by CONTRACTOR. Any excess cost, as determined by the COUNTY, arising from procurement of services under this Section 18.2, over and above the contract sum, shall be charged against the CONTRACTOR and/or its sureties.
- 18.3 The remedies reserved to COUNTY herein shall be cumulative and in addition to any other remedies provided in law or equity.
- 18.4 In the event that, following services of the Notice of Termination of this Agreement under the provisions of this Agreement, it is determined for any reason that CONTRACTOR was not in default under the provisions of this Agreement or that the default was excusable under provisions of this Agreement, a correction of the Notice of Termination shall be issued, and the rights and obligations of the parties shall be the same as if the Notice of Termination had not been issued.

**12. Section 21.0, LIMITATION OF COUNTY'S OBLIGATION DUE TO NON-APPROPRIATION OF FUNDS, restates in its entirety Subsection 21.4 and adds subsection 21.5 as follows:**

- 21.4 In the event that the COUNTY's Board of Supervisors adopts, in any fiscal year, a COUNTY Budget which provides for reductions in the salaries and benefits paid to the majority of COUNTY employees and imposes similar reductions with respect to COUNTY contracts, the COUNTY reserves the right to reduce its payment obligation correspondingly for that fiscal year and any subsequent fiscal year services provided by the CONTRACTOR under the contract. The COUNTY's notice to the CONTRACTOR regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. The CONTRACTOR shall continue to provide all of the services set forth in the

Contract.

- 21.5 Notwithstanding anything to the contrary in this Agreement, CONTRACTOR understands and agrees that COUNTY shall in no way be obligated under this Agreement, or otherwise, unless and until sufficient funding is approved, authorized, committed, and provided to the COUNTY by and through (1) the United States Department of Health & Human Services, Administration for Children and Families, and (2) the State of California.

**13. Section 22.0, NOTICES, is restated in its entirety as follows:**

**22.0 NOTICES**

- 22.1 All notices shall be given in writing by enclosing the same in a sealed envelope addressed to the intended party and by depositing such envelope with postage prepaid at a United States Post Office or any substation or in a public letterbox. All notices to COUNTY shall be sent in duplicate addressed to the following:

Marjorie Kelly, Interim Director  
Department of Children and Family Services  
425 Shatto Place  
Los Angeles, California 90020

and

Department of Children and Family Services  
Contract Management Services  
Attention: Contract Administrator  
425 Shatto Place, Room 205  
Los Angeles, California 90020

All notices to CONTRACTOR shall be sent to:

Ted Davis, President  
IsComp Systems, Inc.  
5777 West Century Boulevard, Suite 560  
Los Angeles, California 90045

or such other person and/or location as may hereinafter be designated in writing by the CONTRACTOR.

- 22.2 All notices may also be given upon personal delivery to any person whose actual knowledge would be sufficient notice to CONTRACTOR. Further, it

is expressly understood that actual knowledge of an individual CONTRACTOR or of a co-partner, or if the CONTRACTOR is a corporation, or an officer or member of the corporation, or by the managing agent regularly in charge of the work on behalf of CONTRACTOR, shall in any case be sufficient notice.

- 14. Section 25.0, PROPRIETARY RIGHTS, restates in its entirety Subsection 25.1, deletes in its entirety Subsection 25.2, rennumbers Subsection 25.3 to 25.2, rennumbers Subsection 25.4 to 25.3, rennumbers Subsection 25.5 to 25.4, rennumbers Subsection 25.6 to 25.5, rennumbers Subsection 25.7 to 25.6, rennumbers Subsection 25.8 to 25.7, and adds Subsection 25.8 as follows:**

**25.0 PROPRIETARY RIGHTS**

25.1 COUNTY and CONTRACTOR agree that all software, materials, data and information developed under and/or used in connection with this Agreement shall become the sole property of COUNTY, provided that CONTRACTOR may retain possession of all working papers prepared by CONTRACTOR. During and subsequent to the term of this Agreement, COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.

25.8 The provisions of Sections 25.4, 25.5, and 25.6 shall survive the expiration or termination of this Agreement.

- 15. Section 28.0, INSURANCE, is restated in its entirety as follows:**

**28.0 GENERAL INSURANCE REQUIREMENTS**

Without limiting CONTRACTOR's indemnification of COUNTY and during the term of this Agreement, CONTRACTOR shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY, and such coverage shall be provided and maintained at CONTRACTOR's own expense.

28.1 Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to COUNTY shall be delivered to DCFS Contract Administrator, Attention: Theresa Wisda, 425 Shatto Place, Room 205, Los Angeles, California 90020, prior to commencing services under this Agreement. Such certificates or other evidence shall:

28.1.1 Specifically identify this Agreement.

- 28.1.2 Clearly evidence all coverages required in this Agreement.
- 28.1.3 Contain the express condition that COUNTY is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.
- 28.1.4 Include copies of the additional insured endorsement to the commercial general liability policy, adding the COUNTY of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Agreement.
- 28.1.5 Identify any deductibles or self-insured retentions for COUNTY's approval. The COUNTY retains the right to require CONTRACTOR to reduce or eliminate such deductibles or self-insured retentions as they apply to COUNTY, or, require CONTRACTOR to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.
- 28.2 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.
- 28.3 Failure to Maintain Coverage: Failure by CONTRACTOR to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the Agreement upon which COUNTY may immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONTRACTOR resulting from said breach. Alternatively, COUNTY may purchase such required insurance coverage, and without further notice to CONTRACTOR, COUNTY may deduct from sums due to CONTRACTOR any premium costs advanced by COUNTY for such insurance.
- 28.4 Notification of Incidents, Claims or Suits: CONTRACTOR shall report to COUNTY:
- 28.4.1 Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONTRACTOR and/or COUNTY. Such report shall be made in writing within 24 hours of occurrence.



- 28.4.2 Any third party claim or lawsuit filed against CONTRACTOR arising from or related to services performed by CONTRACTOR under this Agreement.
- 28.4.3 Any injury to a CONTRACTOR employee, which occurs on COUNTY property. This report shall be submitted on a COUNTY "Non-Employee Injury Report" to the COUNTY Contract Manager.
- 28.4.4 Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONTRACTOR under the terms of this Agreement.
- 28.5 Compensation for COUNTY Costs: In the event that CONTRACTOR fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONTRACTOR shall pay full compensation for all costs incurred by COUNTY.
- 28.6 Insurance Coverage Requirements for Subcontractors: CONTRACTOR shall ensure any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:
- 28.6.1 CONTRACTOR providing evidence of insurance covering the activities of subcontractors, or
- 28.6.2 CONTRACTOR providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

**16. Section 29.0, CONFIDENTIALITY, is restated in its entirety as follows:**

**29.0 CONFIDENTIALITY**

- 29.1 CONTRACTOR shall maintain the confidentiality of all records, including but not limited to COUNTY records and client records in accordance with all applicable federal, state and local laws, regulations, ordinances and directives regarding confidentiality. CONTRACTOR shall inform all of its officers, employees and agents providing services hereunder of the confidentiality provisions of this Agreement. All employees of CONTRACTOR who have access to confidential records and data must sign and adhere to the attached "Employee Acknowledgment and Confidentiality Agreement", Exhibit F. CONTRACTOR shall notify COUNTY of any attempt to obtain confidential records through the legal process.
- 29.2 CONTRACTORS shall comply with all applicable laws pertaining to confidentiality. This shall include but is not limited to the confidentiality

provisions of Section 827 and Section 10850 of the California Welfare and Institutions Code and MPP Division 19.

**17. Section 30.0, CONTRACT ENFORCEMENT, QUALITY ASSURANCE PLAN, MONITORING AND REVIEW, restates in their entirety Subsections 30.3 and 30.5, and deletes 30.6 as follows:**

30.3 The COUNTY or its agent will evaluate CONTRACTOR's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing the CONTRACTOR's compliance with all contract terms and performance standards. CONTRACTOR deficiencies which COUNTY determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the COUNTY and CONTRACTOR. If improvement does not occur consistent with the corrective action measures, COUNTY may terminate this Agreement or impose other penalties as specified in this Agreement.

30.5 CONTRACTOR shall prepare and submit to COUNTY's Program Manager a written semi-annual report describing the services provided throughout each Fiscal Year. The CONTRACTOR's semi-annual report shall include, but not be limited to:

30.5.1 Description of services and/or deliverables rendered during the period, dollar amount of services rendered during the period, dollar balance remaining under the Agreement, and any difficulties encountered that could jeopardize the completion of the project or milestones or deliverables within the schedule.

**18. Section 32.0, CRIMINAL CLEARANCES, restates in its entirety Subsection 32.3 as follows:**

32.3 CONTRACTOR agrees not to engage or continue to engage the services of any person convicted of any crime involving harm to children, or any crime involving conduct inimical to the health, morals, welfare or safety of others, including but not limited to the offenses specified in Health and Safety Code, Section 11590 (offenses requiring registration as a controlled substance offender) and those defined in the following Penal Code Sections or any other existing or future Penal Code sections which address such crimes:

SECTION	TITLE
220	Assault with intent to commit mayhem, rape, unlawful sodomy, unlawful oral copulation, rape in

	concert with another, lascivious acts upon a child, or forcible acts of sexual penetration
243.4	Sexual battery
245	Assault with a deadly weapon or force likely to produce great bodily injury
261.5	Unlawful sexual intercourse with a minor.
264.1	Voluntary acting in concert with another person, by force or violence and against the will of the victim, committed rape, rape of spouse or forcible act of sexual penetration either personally or by aiding and abetting the other person
272	Causing, encouraging or contributing to delinquency of person under age 18.
273a	Great bodily harm or death to child; endangerment of person or health.
273ab	Assault resulting in death of child under 8 years of age.
273d	Infliction of corporal punishment or injury on child resulting in traumatic condition.
273g	Degrading, immoral or vicious practices in the presence of children.
273.5	Infliction of corporal punishment or injury on spouse, former spouse, cohabitant, former cohabitant or the mother or father of his or her child resulting in traumatic condition
286	Sodomy.
288	Lewd or lascivious acts upon the body of a child under age 14.
288a	Unlawful oral copulation.
289	Forcible acts of sexual penetration against the victim's will

290	Sex offenders required to register with the chief of police, sheriff or police of a campus of University of California, California State University or community college
314	Indecent exposure.
368(b)	Great bodily harm or death to elder or dependent adult; Endangerment of person or health of elder or dependent adult
647 (a) & (d)	Disorderly conduct relating to lewd act/behavior or prostitution.
647.6	Annoyance of or molesting a child under age 18.
667.5(c)	Violent felony as defined in California Penal Code Section 667.5 (c)

**19. Section 34.0, FORMER FOSTER YOUTH CONSIDERATION, restates in its entirety Subsection 34.1, and adds Subsection 34.3 as follows:**

34.1 Should CONTRACTOR require additional or replacement personnel after the effective date of this Agreement to perform services set forth herein, CONTRACTOR shall give consideration (after COUNTY employees, and GAIN participants as described in Sections 35.0 and 36.0, respectively) for any such position(s) to qualified former foster youth. CONTRACTOR shall notify COUNTY of any new or vacant positions(s) within CONTRACTOR's firm by sending via U.S. mail or facsimile, a list denoting any position(s) for which hiring is anticipated to:

Department of Children and Family Services  
425 Shatto Place, Room 307  
Los Angeles, California 90020

FAX: (213) 383-3773

34.3 CONTRACTOR is exempt from the provisions of this Section if it is a government entity.

**20. Section 35.0, CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFFS, adds Subsection 35.3 as follows:**

35.3 CONTRACTOR is exempt from the provisions of this Section if it is a governmental entity.

**21. Section 36.0, CONSIDERATION OF HIRING GAIN PARTICIPANTS, is restated in its entirety as follows:**

**36.0 CONSIDERATION OF GREATER AVENUES FOR INDEPENDENCE (GAIN) OR GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR EMPLOYMENT**

36.1 Should CONTRACTOR require additional or replacement personnel after the effective date of this Agreement, CONTRACTOR shall give consideration for any such employment openings to participants in the COUNTY's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program or General Relief Opportunities for Work (GROW) Program who meet CONTRACTOR's minimum qualifications for the open position. COUNTY will refer GAIN/GROW participants, by job category, to CONTRACTOR.

In the event that both laid-off COUNTY employees and GAIN/GROW participants are available for hiring, COUNTY employees shall be given first priority.

36.2 CONTRACTOR shall send notices to the COUNTY's nearest job location indicated on Department of Public Social Services' website at [www.ladpss.org](http://www.ladpss.org) (click on "Jobs" tab, then "Greater Avenues to Independence" box, then "Office Location" box).

36.3 The notice sent by CONTRACTOR must indicate the position(s)/title(s) for vacant or new employment opportunity, description of same, requirements/qualifications for position(s), anticipated pay rate or salary schedule, the location where applications/request(s) for applications are being received, final date of acceptance for applications and any special circumstances relevant to the hiring procedure for said position(s).

36.4 CONTRACTOR is exempt from the provisions of this Section if it is a governmental entity.

**22. Section 37.0, COUNTY LOBBYISTS, is restated in its entirety as follows:**

**37.0 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE**

37.1 CONTRACTOR and each COUNTY lobbyist or COUNTY lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by CONTRACTOR, shall fully comply with the COUNTY Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of

CONTRACTOR or any COUNTY lobbyist or COUNTY lobbying firm retained by CONTRACTOR to fully comply with the COUNTY Lobbyist Ordinance shall constitute a material breach of this Agreement upon which COUNTY may, in its sole discretion, immediately terminate or suspend this Agreement.

**23. Section 44.0, EVENTS OF DEFAULT, is added as follows:**

**44.0 EVENTS OF DEFAULT**

**44.1 Default for Non-Performance**

COUNTY may terminate the whole or any part of this Agreement if either of the following circumstances exist:

44.1.1 CONTRACTOR has made a misrepresentation of any required element in the bid/proposal submitted in response to the Invitation for Bids/Request for Proposals, if any; or

44.1.2 CONTRACTOR fails to comply with or perform any provision of this Agreement or fails to make progress so as to endanger performance of any term of this Agreement.

**44.2 Default for Insolvency**

COUNTY may terminate this Agreement for default for insolvency in the event of the occurrence of any of the following:

44.2.1 Insolvency of CONTRACTOR. CONTRACTOR shall be deemed insolvent if it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether it has filed for bankruptcy or not, and whether insolvent within the meaning of the Federal Bankruptcy Law or not;

44.2.2 The filing of a voluntary petition in bankruptcy;

44.2.3 The appointment of a Receiver or Trustee for CONTRACTOR;

44.2.4 The execution by CONTRACTOR of an assignment for the benefit of creditors.

**44.3 Other Events of Default**

Determination by the COUNTY, the State Fair Employment Commission, or the Federal Equal Employment Opportunity Commission of

discrimination having been practiced by CONTRACTOR in violation of State and/or Federal laws thereon.

**24. Section 45.0, INSURANCE COVERAGE REQUIREMENTS, is added as follows:**

**45.0 INSURANCE COVERAGE REQUIREMENTS:**

- 45.1 General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

- 45.2 Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than one million dollars (\$1,000,000) for each accident. Such insurance shall include coverage for all "owned," "hired" and "non-owned" vehicles, or coverage for "any auto."

- 45.3 Workers' Compensation and Employer's Liability insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONTRACTOR is responsible. If CONTRACTOR's employees will be engaged in maritime employment, coverage shall provide workers' compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which CONTRACTOR is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease – policy limit:	\$1 million
Disease – each employee:	\$1 million

- 45.4 Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the CONTRACTOR, its officers or employees with limits of not less than one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) aggregate. The coverage also shall provide an extended two-year reporting period commencing upon termination or cancellation of this Agreement.

- 45.5 Property Coverage: Such insurance shall be endorsed naming the COUNTY of Los Angeles as loss payee, provide deductibles of no greater than 5% of the property value, and shall include:

Personal Property: Automobiles and Mobile Equipment – Special form (“all risk”) coverage for the actual cash value of COUNTY-owned or leased property.

Real Property and All Other Personal Property – Special form (“all-risk”) coverage for the full replacement value of COUNTY-owned or leased property.

- 45.6 Crime Coverage: Insurance with limits in amounts not less than indicated below covering against loss of money, securities, or other property referred to in this Agreement, and naming the COUNTY as loss payee.

Employee Dishonesty:	\$100,000
Forgery or Alteration:	\$100,000
Theft, Disappearance and Destruction:	\$100,000
Computer Fraud:	\$100,000
Burglary and Robbery:	\$100,000

**25. Section 46.0, CLIENT GRIEVANCES, is added as follows:**

**46.0 CLIENT GRIEVANCES**

- 46.1 CONTRACTOR shall establish a written procedure to resolve client grievances. At the request of COUNTY’s Program Manager, CONTRACTOR shall submit such procedures to COUNTY within five (5) calendar days from date of the request.

**26. Section 47.0, CONTRACTOR RESPONSIBILITY AND DEBARMENT, is added as follows:**

**47.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT**

- 47.1 A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the COUNTY’s policy to conduct business only with responsible contractors.
- 47.2 The CONTRACTOR is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the COUNTY acquires information concerning the performance of the CONTRACTOR on this or other contracts which indicates that the CONTRACTOR is not responsible, the COUNTY may, in addition to other remedies provided in the Contract, debar the CONTRACTOR from bidding on COUNTY contracts for a specified period of time not to exceed three years, and terminate any or all existing contracts the CONTRACTOR may have with the COUNTY.



- 47.3 The COUNTY may debar the CONTRACTOR if the Board of Supervisors finds, in its discretion, that the CONTRACTOR has done any of the following: (1) violated any term of a contract with the COUNTY, (2) committed any act or omission which negatively reflects on the CONTRACTOR's quality, fitness or capacity to perform a contract with the COUNTY or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the COUNTY or any other public entity.
- 47.4 If there is evidence that the CONTRACTOR may be subject to debarment, the Department will notify the CONTRACTOR in writing of the evidence which is the basis for the proposed debarment and will advise the CONTRACTOR of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- 47.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The CONTRACTOR and/or the CONTRACTOR's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether the CONTRACTOR should be debarred, and, if so, the appropriate length of time of the debarment. If the CONTRACTOR fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the CONTRACTOR may be deemed to have waived all rights of appeal.
- 47.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.

47.7 These terms shall also apply to Subcontractors of COUNTY Contractors.

**27. Section 48.0, USE OF RECYCLED-CONTENT PAPER, is added as follows:**

**48.0 USE OF RECYCLED-CONTENT PAPER**

- 48.1 Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at COUNTY landfills, the CONTRACTOR agrees to use recycled-content paper to the maximum extent possible on the project.

**28. Section 49.0, CHILD ABUSE PREVENTION REPORTING, is added as follows:**

#### 49.0 CHILD ABUSE PREVENTION REPORTING

49.1 CONTRACTOR agrees that the safety of the child will always be the first priority. To ensure the safety of children, CONTRACTOR will immediately notify COUNTY and the Child Abuse Hotline whenever CONTRACTOR reasonably suspects that a child has been a victim of abuse and/or is in danger of future abuse. The CONTRACTOR will remain with the child if imminent risk is present.

49.2 CONTRACTOR shall ensure that all known or suspected instances of child abuse are reported to a child protective agency as defined in Section 11164, et. Seq. of the Penal Code. This responsibility shall include:

49.2.1 A requirement that all employees, consultants, or agents performing services under this Agreement who are required by Penal Code, Section 11166(a), to report child abuse, sign a statement that he or she knows of the reporting requirements and will comply with them.

49.2.2 The establishment of procedures to ensure reporting even when employees, consultants or agents who are not required to report child abuse under California Penal Code Section 11166, gain knowledge of, or reasonably suspect that a child had been a victim of abuse or neglect.

49.2.3 The assurance that all employees of CONTRACTOR and subcontractors understand that the safety of the child is always the first priority.

#### 29. **Section 50.0, COMMUNITY BUSINESS ENTERPRISES PROGRAM, is added as follows:**

##### 50.0 COMMUNITY BUSINESS ENTERPRISES PROGRAM

50.1 In accordance with COUNTY policy, CONTRACTOR has submitted a true and correct copy of Certification Application and is attached as Exhibit D.

#### 30. **Section 51.0, COMPLIANCE WITH JURY SERVICE PROGRAM, is added as follows:**

##### 51.0 COMPLIANCE WITH JURY SERVICE PROGRAM

This Contract is subject to the provisions of the COUNTY's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy

of which is attached hereto as Exhibit J and incorporated by reference into and made a part of the Contract.

#### 51.1 Written Employee Jury Service Policy

51.1.1 CONTRACTOR shall provide a Jury Service Program Certification to COUNTY, a copy of which is attached hereto as Exhibit I and incorporated by reference into and made a part of the Agreement. Unless CONTRACTOR has demonstrated to the COUNTY's satisfaction either that CONTRACTOR is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that CONTRACTOR qualifies for an exception to the Jury Service Program (2.203.070 of the County Code), CONTRACTOR shall have and adhere to a written policy that provides that its Employees shall receive from the CONTRACTOR, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the CONTRACTOR or that the CONTRACTOR deduct from the Employee's regular pay the fees received for jury service.

51.1.2 For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the COUNTY or a subcontract with a COUNTY contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more COUNTY contracts or subcontracts. "Employee" means any California resident who is a full time employee of CONTRACTOR. "Full time" means forty (40) hours or more worked per week, or a lesser number of hours if: (1) the lesser number is a recognized industry standard as determined by the COUNTY; or (2) CONTRACTOR has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If CONTRACTOR uses any subcontractor to perform services for the COUNTY under the CONTRACT, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

51.1.3 If CONTRACTOR is not required to comply with the Jury Service Program when the Contract commences, CONTRACTOR shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and CONTRACTOR shall immediately notify COUNTY if

CONTRACTOR at any time either comes within the Jury Service Program's definition of "Contractor" or if CONTRACTOR no longer qualifies for an exception to the Program. In either event, CONTRACTOR shall immediately implement a written policy consistent with the Jury Service Program. The COUNTY may also require, at any time during the Contract and at its sole discretion, that CONTRACTOR demonstrate to the COUNTY's satisfaction that CONTRACTOR either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that CONTRACTOR continues to qualify for an exception to the Program.

51.1.4 CONTRACTOR's violation of this Section of the contract may constitute a material breach of the Contract. In the event of such material breach, COUNTY may, in its sole discretion, terminate the Contract and/or bar CONTRACTOR from the award of future COUNTY contracts for a period of time consistent with the seriousness of the breach.

- 31. Except as specifically provided to the contrary in this Amendment Two, all other terms and conditions of the Agreement shall remain in full force and effect.**

**AMENDMENT TWO TO AGREEMENT NUMBER 72545 BETWEEN THE  
COUNTY OF LOS ANGELES AND ISCOMP SYSTEMS, INC. EXTENDING THE TERM  
OF THE AGREEMENT FOR COMPUTER ASSISTANT TECHNICIAN SERVICES**

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Two to be subscribed by its Chair and the seal of such Board to be hereto affixed and attested by the Executive Office thereof, and CONTRACTOR has caused this Amendment Two to be subscribed in its behalf by its duly authorized officers on the day, month and year first above written. The persons signing on behalf of the CONTRACTOR declare, represent and warrant under penalty of perjury under the laws of the state of California that they are authorized to bind the CONTRACTOR.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Chair, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS  
Executive Officer-Clerk of the  
Los Angeles County  
Board of Supervisors

By \_\_\_\_\_  
Deputy

ISCOMP SYSTEMS, INC.,  
a California corporation

\_\_\_\_\_  
CONTRACTOR

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

\_\_\_\_\_  
Tax Identification Number

APPROVED AS TO FORM:

LLOYD W. PELLMAN  
County Counsel

BY \_\_\_\_\_  
John L. Geiger, Senior Deputy

**AMENDMENT TWO TO AGREEMENT NUMBER 72545  
FOR COMPUTER ASSISTANT TECHNICIAN SERVICES  
BETWEEN THE COUNTY OF LOS ANGELES AND  
IS COMP SYSTEMS, INCORPORATED**

**PRICE SCHEDULE**

The price for CATS is \$39.50 per hour for the duration of this Agreement, including any extended periods.

Upon commencement of the Agreement, CONTRACTOR shall provide twelve (12) computer assistant technicians to the County for the services set forth in the Statement of Work, Exhibit A. Each of these computer assistant technicians will work a maximum of 996 hours between January 1, 2003 through June 30, 2003.

Each CAT will work no more than 8 hours per day and no more than 40 hours per week.

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Name

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Title

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Authorized Signature

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Date

**BUDGET****EXHIBIT B-1**

**Computers Assistant Technician Service Agreement**  
**DETAILED LINE ITEM-BUDGET (Sample)**  
**January 1, 2003 - June 30, 2003**

			<b>Contractor's Monthly Costs</b>	<b>Total Charged to County</b>
<b>DIRECT COSTS</b>				
<b><u>Personnel Salaries and Employee Fringe Benefits</u></b>	<b>Annual, Monthly or Hourly Expense</b>	<b>Full Time Equivalent (%)</b>		
<b><u>Name</u></b>				
John Doe, President (Annual Salary)	\$100,000.00	0.05	\$416.67	\$0.00
Jane Doe, CAT Manager II (Annual Salary)	\$85,000.00	0.25	\$1,770.83	\$0.00
John Doe, CAT Manager I (Annual Salary)	\$75,000.00	0.50	\$3,125.00	\$0.00
Jane Doe, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Doe, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
Jane Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
Jane Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
Jane Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
Jane Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
Jane Smith, CAT (Hourly Wages)	\$22.00	1.00	\$3,659.26	\$5,156.23
John Smith, Office Manager (Annual Salary)	\$36,000.00	0.05	\$150.00	\$0.00
<b>TOTAL MONTHLY PERSONNEL SALARIES AND COSTS</b>			<b>\$45,714.36</b>	
<b>TOTAL MONTHLY AMOUNT CHARGED TO COUNTY</b>				<b>\$56,718.53</b>
<b>INDIRECT COSTS</b>				
<b><u>Other Cost and Expenses</u></b>				
Office Rent and Parking (Annual)	\$60,000.00	0.05	\$250.00	\$0.00
Liability and Workers Compensation Insurance Premiums (Annual)	\$50,000.00	0.05	\$208.33	\$0.00
Offsite parking expenses (Monthly)	\$500.00	1.00	\$500.00	\$0.00
Between sites mileage (Monthly)	\$1,200.00	1.00	\$1,200.00	\$0.00
Remote communications (cellular phones and pagers) (Monthly)	\$600.00	1.00	\$600.00	\$0.00
General project supplies and books (Monthly)	\$100.00	1.00	\$100.00	\$0.00
Postage (Monthly)	\$50.00	1.00	\$50.00	\$0.00
Photocopying (Monthly)	\$50.00	1.00	\$50.00	\$0.00
Landline telephone and fax (Monthly)	\$100.00	1.00	\$100.00	\$0.00
			<b>\$3,058.33</b>	<b>\$0.00</b>
<b>SUBTOTAL SALARIES, WAGES, COSTS AND EXPENSES:</b>			<b>\$ 48,773</b>	<b>\$ 56,719</b>
<b>TOTAL MONTHLY PROFIT (LOSS):</b>			<b>\$ 7,946</b>	
<b>TOTAL CONTRACT PROFIT (LOSS):</b>				<b><u>47,675.02</u></b>

**COMPUTER ASSISTANT TECHNICIAN SERVICES  
AMENDMENT TWO TO AGREEMENT NUMBER 72545****CONTRACTOR'S EEO CERTIFICATION**

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Contractor's Name

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Address

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Internal Revenue Service Employer Identification Number**GENERAL**

In accordance with the Section 22001, Administrative Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

**BIDDER'S CERTIFICATION**

- |    |   |     |    |
|----|---|-----|----|
| 1. | The Contractor has a written policy statement prohibiting discrimination in all phases of employment.   | YES | NO |
| 2. | The Contractor periodically conducts a self-analysis or utilization analysis of its work force.   | YES | NO |
| 3. | The Contractor has a system for determining if its employment practices are discriminatory against protected groups.  | YES | NO |
| 4. | Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action to include establishment of goals or time tables. | YES | NO |

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Name

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Title

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Authorized Signature

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Date



# COMPUTER ASSISTANT TECHNICIAN SERVICES AMENDMENT TWO TO AGREEMENT NUMBER 72545

## LOS ANGELES COUNTY COMMUNITY BUSINESS ENTERPRISE (LAC/CBE) PROGRAM

### FIRM/ORGANIZATION INFORMATION

**INSTRUCTIONS:** All proposers responding to this solicitation must return this form for proper consideration of the proposal. The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR § 23.5.

#### TYPE OF BUSINESS

**STRUCTURE:** \_\_\_\_\_  
(Corporation, Partnership, Sole Proprietorship, etc.)

**TOTAL NUMBER OF EMPLOYEES IN FIRM (including owners):** \_\_\_\_\_

**CULTURAL/ETHNIC COMPOSITION OF FIRM** (Partners, Associate Partners, Managers, Staff, etc.).  
Please break down the above total number of employees into the following categories:

	OWNERS/PARTNERS/ ASSOCIATE PARTNERS	MANAGERS	STAFF
Black/African American			
Hispanic/Latin American			
Asian American			
American Indian/Alaskan Native			
White			
<i>Based on the above categories, please indicate the total numbers of men and women in the firm:</i>			
Male			
Female			

**PERCENTAGE OF OWNERSHIP IN FIRM** Please indicate by percentage (%) how ownership of the firm is distributed.

	Black/ African American	Hispanic/Lat in American	Asian American	American Indian/ Alaskan Native	White
Men	%	%	%	%	%
Women	%	%	%	%	%

#### **CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERANS BUSINESS ENTERPRISES**

Is your firm currently certified as a minority, women-owned, disadvantaged or disabled veterans business enterprise by a public agency? (If yes, complete the following and attach a copy of your notice of certification.)

	M	W	D	DV	Expiration Date	
Agency					Expiration Date	
Agency					Expiration Date	
Agency					Expiration Date	
Agency					Expiration Date	
Agency					Expiration Date	

LEGEND: M = Minority; W = Women; D = Disadvantaged; DV = Disabled Veterans

### LAC/CBE SANCTIONS

1. A person or business shall not:
  - a. Knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining, retaining or attempting to obtain or retain, acceptance or certification as a minority or women business enterprise, or both, for the purposes of this article.
  - b. Willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the acceptance or certification or denial of acceptance or certification of any entity as a minority or women business enterprise, or both.
  - c. Willfully and knowingly obstruct, impede, or attempt to obstruct or impede, any county official or employee who is investigating the qualifications of a business entity which has requested acceptance or certification as a minority or women business enterprise, or both.
  - d. Knowingly and with intent to defraud, fraudulently obtain, attempt or obtain, or aid another person or business in fraudulently obtaining or attempting to obtain, public moneys to which the person or business is not entitled under this article.
2. Any person or business who violates paragraph (1) shall be suspended from bidding on, or participating as contractor, subcontractor, or supplier in any County contract or project for a period of three years.
3. No County agency with the powers to award contracts shall enter into any contract with any person or business suspended for violating this section during the period of the person's or business' suspension. No awarding department shall award a contract to any contractor utilizing the services of any person or business as a subcontractor suspended for violating this section during the period of the person's or business suspension.

I acknowledge, that the undersigned, on behalf of himself or herself individually and on behalf of his or her business or organization, if any, is fully aware of the above policy of the County of Los Angeles and I declare under penalty of perjury that the foregoing Firm/Organization Information is true and correct.

\_\_\_\_\_  
Name of Firm/Organization

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**COMPUTER ASSISTANT TECHNICIAN SERVICES  
AMENDMENT TWO TO AGREEMENT NUMBER 72545**

**CHILD SUPPORT COMPLIANCE PROGRAM CERTIFICATION**

Los Angeles County Code Chapter 2.200 establishes the Los Angeles County Child Support Compliance Program. This Program requires the County to provide certain information to the Child Support Services Department (CSSD) concerning its employees and business licensees. It further requires that bidders or proposers for County contracts submit certifications of Program compliance to the soliciting County department along with their bids or proposals. (In an emergency procurement, as determined by the soliciting County department, these certifications may be provided immediately following the procurement.)

IN ORDER TO COMPLY WITH THIS REQUIREMENT, COMPLETE THIS FORM AND SUBMIT IT DIRECTLY TO THE SOLICITING COUNTY DEPARTMENT ALONG WITH YOUR BID OR PROPOSAL. IN ADDITION, PROVIDE A COPY TO THE CHILD SUPPORT SERVICES DEPARTMENT AT THE ADDRESS OR FAX NUMBER SHOWN BELOW. SOLE PRACTICIONER MEMBERS OF AN ASSOCIATION MUST COMPLETE AND SUBMIT INDIVIDUAL FORMS.

I, (print name as shown in bid or proposal ) \_\_\_\_\_, hereby submit this certification to the (County Department) \_\_\_\_\_, pursuant to the provisions of County Code Section 2.200.060 and hereby certify that (contractor name as shown in bid or proposal) \_\_\_\_\_, an independently-owned or franchiser-owned business (circle one), located at (contractor or, if an association, associated member address) \_\_\_\_\_ is in compliance with Los Angeles County's Child Support Compliance Program and has met the following requirements:

- 1) Submitted a completed Principal Owner Information Form to the Child Support Services Department;
- 2) Fully complied with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and/or California Unemployment Insurance Code Section 1088.5 and will continue to comply with such reporting requirements;
- 3) Fully complied with all lawfully served Wages and Earnings Withholding Orders or Notices of Wage and Earnings Assignment, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b) or pursuant to applicable provisions of the Uniform Interstate Family Support Act, and will continue to comply with such Orders or Notices.

***I declare under penalty of perjury that the foregoing is true and correct.***

Executed this \_\_\_\_\_ day of \_\_\_\_\_

(Month and Year)

at: \_\_\_\_\_  
(City/State) (Telephone No.)

by: \_\_\_\_\_  
(Signature of a Principal Owner, an officer or manager responsible for submission of the bid or proposal to the County)

**Copy to: Child Support Services Department  
Special Projects  
P. O. Box 911009  
Los Angeles, CA 90091-1099  
FAX: (323) 869-0634**

**Telephone: (323) 832-7277 or (323) 832-7276**

**COMPUTER ASSISTANT TECHNICIAN SERVICES  
AMENDMENT TWO TO AGREEMENT NUMBER 72545**

**EMPLOYEE ACKNOWLEDGMENT AND CONFIDENTIALITY AGREEMENT**

**GENERAL**

This is to emphasize that it is necessary to protect the confidentiality of information obtained at the Department of Children and Family Services (DCFS). I understand that my employer, \_\_\_\_\_ (the "Contractor") has entered into an Agreement with the County of Los Angeles to provide various services to the County.

As an employee of my employer, the Contractor, I must sign this Employee Acknowledgment and Confidentiality Agreement as a condition of my work to be provided by my employer, the Contractor, for the County.

**EMPLOYEE ACKNOWLEDGMENT**

I understand that my employer, the Contractor, is my sole employer for purpose of employment for services provided as defined in the body of this Agreement. I rely exclusively upon my employer, the Contractor, for payment of salary and any and all other benefits payable to me or on my behalf during the term of employment as defined in the body of this Agreement.

I understand and agree that I am not an employee of Los Angeles County for any purpose and that I do not have any and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between my employer, the Contractor and the County of Los Angeles.

**CONFIDENTIALITY AGREEMENT**

As an employee of my employer, the Contractor, involved with work pertaining to County services, I may have access to confidential data pertaining to clients of DCFS. All clients of DCFS are assured that information which they give is confidential. Names, addresses and all other information concerning the circumstances of any individual for whom or about whom information is obtained is confidential. This is true of all information whether written or oral.

I understand that I may not discuss any situation(s) which could possibly identify an individual, nor shall names, addresses, or any other identifying information of applicants, clients, foster parents, or birth parents ever be discussed. I will not read narratives, letters, documents, or other information except as necessary in the performance of my duties.

I hereby agree that I will not divulge to any unauthorized person any information obtained while performing work pursuant to the contract between my employer, the Contractor, and the County of Los Angeles. I agree to refer all requests for the release of information received by me to my immediate supervisor.

I agree to report any and all violations to the above by any other person and/or myself to my immediate supervisor and I agree to ensure that said supervisor reports such violation to the County of Los Angeles Department of Children and Family Services. I agree to return all materials to my immediate supervisor upon termination of my employment with my employer, the Contractor.

I acknowledge that violation of this Acknowledgment and Agreement may subject me to civil and/or criminal action and that the County of Los Angeles will seek all possible legal redress.

Name: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Name: \_\_\_\_\_  
Printed

Title/Position: \_\_\_\_\_

**AUDITOR-CONTROLLER  
CONTRACT ACCOUNTING AND OPERATING HANDBOOK**

The purpose of this Handbook is to establish required accounting, financial reporting, and internal control standards for entities (contractor) which contract with the Los Angeles County.

The accounting, financial reporting and internal control standards described in this Handbook are fundamental. These standards are not intended to be all inclusive or replace acceptable existing procedures or preclude the use of more sophisticated methods. Instead, this Handbook represents the minimum required procedures and controls that must be incorporated into a CONTRACTOR's accounting and financial reporting systems. The internal control standards described are those that apply to organizations with adequate staffing. Organizations with a smaller staff must attempt to comply with the intent of the standards and implement internal control systems appropriate to the size of their staff/organization. The CONTRACTOR's subcontractors must also follow these standards unless otherwise stated in the Agreement.

**A. ACCOUNTING AND FINANCIAL REPORTING**

**1.0 Basis of Accounting**

Contractors may elect to use either the cash basis or accrual basis method of accounting for recording financial transactions. Monthly invoices must be prepared on the same basis that is used for recording financial transactions.

- 1.1 The County recommends the use of the accrual basis for recording financial transactions.

Accrual Basis

Under the accrual basis, revenues are recorded in the accounting period in which they are earned (rather than when cash is received). Expenditures are recorded in the accounting period in which they are incurred (rather than when cash is disbursed).

Accruals

Accruals shall be recorded observing the following:

- Only accruals where cash will be disbursed within six months of the accrual date should be recorded.
- Recorded accruals must be reversed in the subsequent accounting period.

- 1.2 If an agent elects to use the cash basis for recording financial transactions during the year:

- Necessary adjustments must be made to record the accruals at the beginning and the end of the contract.
- All computations, supporting records, and explanatory notes used in converting from cash basis to the accrual basis must be retained.

### 1.3 Prepaid Expenses

Prepaid expenses (e.g., insurance, service agreements, lease agreements, etc.) should only be expensed during a given Agreement year to the extent goods and services are received during that Agreement year.

## **ACCOUNTING SYSTEM**

### **2.0 Double Entry Accounting System**

Each agent shall maintain a double entry accounting system (utilizing debits and credits) with a General Journal, a Cash Receipts Journal, a General Ledger, and a Cash Disbursements Journal. The County recommends that a Payroll Register also be maintained. Postings to the General Ledger and Journals should be made on a monthly basis.

#### 2.1 General Journal

A General Journal shall be maintained for recording adjusting entries, reversing entries, closing entries, and other financial transactions not normally recorded in the Cash Receipts Journal or Cash Disbursements Journal. Entries in the General Journal must be adequately documented, and entered in chronological order with sufficient explanatory notations.

Example: DR CR  
 Rent Expense 100  
 Rent Payable 100  
 To record accrued rent to March 31, 20XX

#### 2.2 Cash Receipts Journal

A Cash Receipts Journal shall be maintained for recording all cash receipts (e.g., County warrants, contributions, interest income, etc.). The Cash Receipts Journal shall contain (minimum requirements) the following column headings:

- date
- receipt number
- cash debit columns
- income credit columns for the following accounts:
  - County payments (one per funding source)
  - contributions
  - other Income (Grants, sales of supplies/services, rental income, miscellaneous revenue, fees, etc.)

- description (Entries in the description column must specify the source of cash receipts.)

### 2.3 Cash Disbursements Journal

A Cash Disbursements Journal shall be maintained for recording all cash disbursements (e.g., rent, utilities, maintenance, etc.).

The Cash Disbursements Journal shall contain (minimum requirements) the following column headings:

- date
- check number
- cash (credit) column
- expense account name
- description

Note (1) Separate expense columns are recommended for salary expense and other recurring expense classifications for each program.

Note (2) Entries in the description column must specify the nature of the expense and the corresponding expense classification if not included in the column heading.

Note (3) Checks should not be written to employees (other than payroll, mileage, travel, and petty cash custodian checks.)

A Check Register may be substituted for the Cash Disbursements Journal, but this is not recommended. If used, the Check Register must contain the same expense classifications and description information required when a Cash Disbursements Journal is used.

Disbursements without supporting documentation will be disallowed on audit. Cancelled checks and credit card statements (VISA, AMEX, department store, etc.) will not constitute acceptable support. (See Section A.3.2 and B.2.4) for additional guidance.

### 2.4 General Ledger

A General Ledger shall be maintained with accounts for all assets, liabilities, fund balances, expenditures, and revenues. Separate accounts must be maintained for each County program's expenses and revenues.

### 2.5 Chart of Accounts

A Chart of Accounts shall be maintained:

- The County recommends that agents use the expense account titles on the monthly invoice submitted to the County.

- If the contractor uses account titles which differ from the account titles on the monthly invoice, each account title must clearly identify the nature of the transaction(s) posted to the account.
- Contractor must consistently post transactions that are of a similar nature to the same account. For example, all expenses for travel shall be posted to the account titled "travel" or "travel expense" and not intermixed with other expense accounts.

## 2.6 Payroll Register

The County recommends that a Payroll Register be maintained for recording all payroll transactions. The Register should contain the following:

- Name
- Position
- Social Security Number
- Salary (hourly wage)
- Payment Record including:
  - accrual period
  - gross pay
  - itemized payroll deductions
  - net pay amount
  - check number

If a Payroll Register is not used, the information in (2.6) must be recorded in the cash disbursement journal.

CONTRACTOR will ensure compliance with all applicable federal and State requirements for withholding payroll taxes (FIT, FICA, FUTA, SIT, SIU, etc.), reporting, filing (941, DE-7, W-2, W-4 and 1099s), and all applicable tax deposits.

Contractor will ensure compliance with Internal Revenue Service guidelines in properly classifying employees and independent contractors.

## 2.7 Contractor Invoices

Each agent shall present an invoice to the County each calendar month to report the financial activity of the month. In addition, if advanced funding is involved, an invoice shall be presented at the beginning of the contract period. Invoices shall be prepared in the manner prescribed by the County's contracting department.

## 3.0 Records

Adequate care shall be exercised to safeguard the accounting records and supporting documentation. Any destruction or theft of the CONTRACTOR's accounting records or supporting documentation shall be immediately reported to the County.



### 3.1 Retention

All accounting records (e.g., journals, ledgers, etc.), financial records and supporting documentation (e.g., invoices, receipts, checks, etc.) must be retained for a minimum of five years after the termination of the CONTRACTOR's agreement.

### 3.2 Supporting Documentation

All revenues and expenditures shall be supported by original vouchers, invoices, receipts, or other documentation and shall be maintained in the manner described herein.

Invoices, receipts and canceled checks will be required to support an outlay of funds. Unsupported disbursements will be disallowed on audit. CONTRACTOR will be required to repay county for all disallowed costs. **Photocopied invoices or receipts, any internally generated documents (i.e., vouchers, request for check Forms, requisitions, canceled checks, etc.), and account statements do not constitute supporting documentation for purchases.**

Supporting documentation is required for various types of expenditures as follows:

**Payroll** - time and attendance records signed by the employee and approved in writing by the supervisor, time distribution records by program accounting for total work time on a daily basis for all employees, records showing actual expenditures for Social Security and unemployment insurance, State and federal quarterly tax returns, federal W-2 Forms, and federal W-4 Forms.

**Consultant Services** - contracts, time and attendance records, billing rates, travel vouchers detailing purpose, time and location of travel, purchase orders and invoices for supplies and invoices or other supporting documentation detailing the nature of services provided.

**Travel** - travel policies of the CONTRACTOR (written); travel expense vouchers showing location, date and time of travel, purpose of trip, and rates claimed; vehicle mileage logs showing dates, destination and headquarters, purpose of trip, and mileage. Travel related to conferences should include conference literature detailing purpose of the conference. Reimbursement rates for mileage shall not exceed applicable federal guidelines.

Reimbursement for actual receipts or per diem rates for meal expenses shall not exceed the maximum County's reimbursement rate for employees.

Receipts shall be required for lodging for approved out-of-town travel dates. Maximum reimbursable lodging amount is the maximum County's reimbursement rate for employees for a single occupancy hotel accommodation.

**Operating Expenses** (e.g., utilities, office supplies, equipment rentals, etc.) - bona fide contracts or lease agreements, if any, and invoices and receipts

detailing the cost and items purchased will constitute the primary supporting documentation. For internal control purposes, the CONTRACTOR may maintain vouchers, purchase orders, requisitions, stock received reports, bills of lading, etc.

**Outside Meals** - receipts and/or invoices for all meals, a record of the nature and purpose of each meal, and identification of the participants.

### 3.3 Payments to Affiliated Organizations or Persons

CONTRACTOR shall not make payments to affiliated organizations or persons for program expenses (e.g., salaries, services, rent, etc.) that exceed the lower of actual cost or the reasonable cost for such expenses. A reasonable cost shall be the price that would be paid by one party to another when the parties are dealing at arm's length (fair market price).

Organizations or persons (related parties) related to the CONTRACTOR or its members by blood, marriage, or through legal organization (corporation, partnership, association, etc.) will be considered affiliated for purposes of this Agreement. County shall be solely responsible for the determination of affiliation unless otherwise allowed and approved by the State or federal agencies.

Payments to affiliated organizations or persons will be disallowed on audit to the extent the payments exceed the lower of actual costs or the reasonable costs for such items.

### 3.4 Filing

All relevant supporting documentation for reported program expenditures and revenues shall be filed in a systematic and consistent manner. It is recommended that supporting documents be filed as follows:

- checks - numerically
- invoices - vendor name and date
- vouchers - numerically
- receipts - chronologically
- timecards - pay period and alphabetically

### 3.5 Referencing

Accounting transactions posted to the CONTRACTOR's books shall be appropriately cross-referenced to supporting documentation. It is recommended that expenditure transactions on the CONTRACTOR's books be cross-referenced to the supporting documentation as follows:

- invoices - vendor name and date
- checks - number
- vouchers - number
- revenue - receipt number

Supporting documentation for non-payroll expenditures (i.e., operating expenditures) should be cross-referenced to the corresponding check issued for payment. If multiple invoices are paid with one check, all related invoices should be bound together and cross-referenced to the check issued for payment.

#### **4.0 Donations and Other Sources of Revenue**

Restricted donations and other sources of revenue earmarked specifically for the Contract must be utilized on allowable contract expenditures.

#### **5.0 Audits**

The agent will make available for inspection and audit to County representatives, upon request, during working hours, during the duration of the contract and for a period of five years thereafter, all of its books and records relating to the operation by it of each project or business activity which is funded in whole or part with governmental monies, whether or not such monies are received through the County. All such books and records shall be maintained at a location within Los Angeles County.

#### **6.0 Single Audit Requirements**

OMB Circular 133, "Audits of State, Local Governments and Non Profit Organizations" requires that certain organizations receiving federal awards, including pass-through awards, have annual audits. Details are contained in the respective Circular.

A copy of any Single Audit reports must be filed with the County within the timeframes prescribed by the applicable Circular.

#### **7.0 Subcontracts**

No CONTRACTOR shall subcontract services without the prior written consent of the County.

CONTRACTOR shall provide County with copies of all executed subcontracts and shall be responsible for the performance of their subcontractors.

### **B. INTERNAL CONTROLS**

Internal controls safeguard the CONTRACTOR's assets from misappropriations, misstatements or misuse. Each CONTRACTOR shall prepare necessary written procedures establishing internal controls for its personnel. The CONTRACTOR shall instruct all of its personnel in these procedures and continuously monitor operations to ensure compliance with them.

#### **1.0 Cash Receipts**

##### **1.1 Separate Fund or Cost Center**

All contract revenues shall be maintained in a bank account. If revenues from other sources are maintained in the same bank account, revenues for each source must be clearly identifiable on the accounting records through the use of cost centers or separate accounts.

## 1.2 Deposits

All checks shall be restrictively endorsed upon receipt.

Cash received shall be recorded on pre-numbered receipts. Checks shall be recorded on a check remittance log at the time of receipt.

Cash receipts (i.e., cash and checks) totaling \$500 or more shall be deposited within one day of receipt. Collections of less than \$500 may be held and secured and deposited weekly or when the total reaches \$500, whichever occurs first.

Duplicate deposit slips shall be retained and filed chronologically, and shall contain sufficient reference information for comparison to the Cash Receipts Journal (and individual receipts, if applicable).

## 1.3 Separation of Duties

An employee who does not handle cash shall record all cash receipts.

## 1.4 Bank Reconciliation's

Bank statements should be received and reconciled by someone with no cash handling, check writing, or bookkeeping functions.

Monthly bank reconciliations should be prepared within 30 days of the bank statement date and reviewed by management for appropriateness and accuracy. The bank reconciliation's should be signed by both the preparer and the reviewer. Reconciling items should be resolved timely.

# 2.0 Disbursements

## 2.1 General

All disbursements for expenditures, other than petty cash, shall be made by check.

Blank check stock shall be secured and accounted for to preclude unauthorized use.

Checks shall not be payable to "cash" or signed in advance. Checks written to employees for reimbursement of out-of-pocket costs must be supported by receipts and invoices.

A second signature shall be required on all checks, unless otherwise specified in contract.

If the bookkeeper signs checks, a second signature shall be required on the checks, regardless of limits specified in contract.

Voided checks shall be marked void with the signature block cut out. The voided checks must be filed with the cancelled checks.

Unclaimed or undelivered checks shall be cancelled periodically.

All supporting documentation shall be referenced to check numbers and marked "paid" or otherwise canceled to prevent reuse or duplicate payments.

Disbursements without adequate supporting documentation will be disallowed on audit.

## 2.2 Approvals and Separation of Duties

Employees responsible for approving cash disbursements and/or signing of checks shall examine all supporting documentation at the time the checks are approved and signed.

All disbursements, excluding petty cash purchases, shall be approved by persons independent of check preparation and bookkeeping activities.

## 2.3 Petty Cash

A petty cash fund up to \$500 may be maintained for payment of small incidental expenses incurred by the CONTRACTOR (e.g., postage due, small purchases of office supply items, etc.). The CONTRACTOR must obtain written approval from the County to establish a petty cash fund greater than \$500.

Petty cash disbursements must be supported by invoices, store receipts or other external authenticating documents indicating the item purchased and the employee making the purchase. In the event that outside (external) supporting documentation is not obtainable for minor disbursements (under \$10), such as parking meters, etc., then documentation shall be considered as proper supporting documentation on a basis of reasonableness. Petty cash disbursements should not be used as a substitute for normal purchasing and disbursement practices i.e., payment by check).

The petty cash fund shall be maintained on an interest basis. A check should be drawn to set up the fund and to make periodic reimbursements. Receipts, vouchers, etc., supporting each fund replenishment must be bound together, filed chronologically and cross referenced to the reimbursement check.

## 2.4 Credit Cards

The use of credit cards, both CONTRACTOR issued credit cards and an employee's personal credit cards used on behalf of the CONTRACTOR, should be limited to purchases where normal purchasing and disbursement practices are not suitable.

Credit cards issued in the CONTRACTOR's name must be adequately protected and usage monitored to ensure that only authorized and necessary items are purchased.

Credit card purchases should be pre-approved by CONTRACTOR management to ensure that they are reasonable and necessary.

All credit card disbursements must be supported by original invoices, store receipts or other external authenticating documents indicating the item purchased and the employee making the purchase. Credit card statements are not sufficient support for credit card purchases.

### **3.0 Timekeeping**

#### **3.1 Timecards**

Timecards or time reports must be prepared for each pay period. Timecards or time reports must indicate total hours worked each day by program and total hours charged to each of the CONTRACTOR's programs. Time estimates do not qualify as support for payroll expenditures and will be disallowed on audit.

All timecards and time reports must be signed in ink by the employee and the employee's supervisor to certify the accuracy of the reported time.

#### **3.2 Personnel and Payroll Records**

Adequate security must be maintained over personnel and payroll records with access restricted to authorized individuals.

Personnel and payroll records should include (but not be limited to) the following:

- Employee's authorized salary rate
- Employee information sheet
- Resume and/or application
- Proof of qualifications for the position, if required (e.g., notarized copy or original diploma, license, etc.)
- Performance evaluations
- Criminal record clearance
- Citizenship Status
- Benefit balances (e.g., sick time, vacation, etc.)

#### **Benefit Balances**

Employee benefit balances (e.g., sick time, vacation, personal time, etc.) should be maintained on at least a monthly basis. Benefit balances should be increased when benefit hours are earned and decreased as hours are used.

#### **Limitations on Positions and Salaries**

The CONTRACTOR shall pay no salaries higher than those authorized in the contract, or the attachments thereto, except as proscribed by state or federal law.

If an employee serves in the same or dual capacities under more than one Agreement or program, the employee may not charge more than 100% of their time to the contracts or programs taken as a whole.

Salaried employees who work less than 40 hours per week shall be paid a salary that corresponds with the employee's work schedule.

The salary expense of salaried employees working on more than one Agreement or program shall be allocated to each program based on the ratio of the number of hours worked on each program during the pay period to the total number hours worked during the pay period.

The CONTRACTOR will make no retroactive salary adjustment for any employee without written approval from the County.

#### Separation of Duties

Payroll checks should be distributed by persons not involved in timekeeping, preparing of payroll, or reconciling bank accounts.

All employee hires and terminations, or pay rate changes, shall be approved by authorized persons independent of payroll functions.

All employee hires and terminations, or pay rate changes shall be approved in writing by authorized persons independent of payroll functions.

### **4.0 Fixed Assets**

A fixed asset is defined as an article of nonexpendable tangible personal property having a useful life of more than two years. The County recommends all fixed assets with an acquisition cost of \$1,000 or more per unit be capitalized.

Acquisition cost means the net invoice unit price of an item, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired.

#### **4.1 Acquisition**

Fixed asset purchases shall be approved by the Agency's Board of Directors or their authorized representative.

#### **4.2 Identification and Inventory**

All fixed assets purchased with Contract funds are to be used solely for the benefit of the Contract and should be appropriately tagged.

Each CONTRACTOR shall maintain a current listing of fixed assets, including the item description, serial number, date of purchase, acquisition cost and sources of funding.

An inventory of all fixed assets should be conducted at least once each year to ensure that all fixed assets are accounted for and maintained in proper working order.

#### 4.3 Security

Physical security should be adequately maintained over fixed assets to prevent misuse and theft of County property.

#### 4.4 Property Management

The CONTRACTOR shall assume responsibility and accountability for the maintenance of all non-expandable property purchased, leased, or rented with Contract funds.

The CONTRACTOR shall report promptly, in writing, to the County all cases of theft, loss, damage, or destruction of fixed assets. The report shall contain at a minimum, item identification, recorded value, facts relating to loss, and a copy of the law enforcement report.

CONTRACTOR shall dispose of or return to the County all fixed assets, in accordance with their Contract.

### 5.0 Bonding

All officers, employees, and agents who handle cash or have access to the agent's funds shall be bonded.

## C. **COST PRINCIPLES**

### 1.0 Policy

It is the intent of the county to provide funds for the purpose of CONTRACTOR providing services required by the Agreement. CONTRACTOR shall use these funds on actual expenses in an economical and efficient manner and ensure they are reasonable, proper and necessary costs of providing services and are allowable in accordance with the applicable OMB Circular.

#### 1.1 Limitations on Expenditures of Program Funds

CONTRACTOR shall comply with the Agreement and the applicable OMB Circular. The Circular defines direct and indirect costs, discusses allowable cost allocation procedures and the development of Indirect Cost Rates, and specifically addresses the allowability of a variety of different costs.

If a CONTRACTOR is unsure of the allowability of any particular type of cost or individual cost, the CONTRACTOR should request advance written approval from the County prior to incurring the cost.

#### 1.2 Expenses Incurred Outside the Agreement Period

Expenses charged against program funds may not be incurred prior to the effective date of the Agreement or subsequent to the Agreement termination date.



### 1.3 Budget Limitation

Expenses may not exceed the maximum limits shown on the contract budget.

### 1.4 Unspent Funds

The County will determine the disposition of unspent program funds upon termination of the contract.

### 1.5 Necessary, Proper and Reasonable

Only those expenditures that are necessary, proper and reasonable to carry out the purposes and activities of the Program are allowable.

## **2.0 Allocation of Cost Pools**

For CONTRACTORS that provide services in addition to the services required under contract, the CONTRACTOR shall allocate expenditures that benefit programs or funding sources on an equitable basis.

In accordance with the applicable OMB Circular, agencies shall define their allocable costs as either direct or indirect costs (as defined below) and allocate each cost using the basis most appropriate and feasible.

The CONTRACTOR shall maintain documentation related to the allocation of expenses (e.g., timecards, time summaries, square footage measurements, number of employees, etc.).

Under no circumstances shall allocated costs be charged to an extent greater than 100% of actual costs or the same cost be charged both directly and indirectly.

### 2.1 Direct Costs

Direct costs are those costs that can be identified specifically with a particular final cost objective (i.e., a particular program, service, or other direct activity of an organization). Examples of direct costs include salaries and benefits of employees working on the program, supplies and other items purchased specifically for the program, costs related to space used by employees working on the program, etc.

For all employees, other than general and administrative, the hours spent on each program (activity) should be recorded on employees' timecards and the payroll expense should be treated as direct charges and distributed on the basis of recorded hours spent on each program.

Joint costs (i.e., costs that benefit more than one program or activity) which can be distributed in reasonable proportion to the benefits received may also be direct costs.

Examples of bases for allocating joint costs as direct costs:

Number of direct hours spent on each program  
Number of employees in each program  
Square footage occupied by each program  
Other equitable methods of allocation

## 2.2 Indirect Costs

Indirect costs are those costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Examples of indirect costs include salaries, employee benefits, supplies, and other costs related to general administration of the organization, depreciation and use allowances, and the salaries and expenses of executive officers, personnel administration, and accounting.

Examples of bases for allocating indirect costs:

Total direct salaries and wages  
Total direct costs (excluding capital expenditures and other distorting items such as subcontractor payments)

## 2.3 Acceptable Indirect Cost Allocation Methods

OMB Circulars describe the following allowable methods for allocating indirect costs:

Simplified allocation method  
Direct allocation method  
Multiple allocation base  
Negotiated indirect cost rate

### Simplified Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all allocable costs are considered indirect costs and an indirect cost rate is determined by dividing total allowable indirect costs by an equitable distribution base.

#### Example

Agency-wide indirect costs \$250,000  
Less: Capital expenditures 10,000

Allocable indirect costs 240,000  
Total agency-wide indirect salaries \$1,000,000

Indirect cost rate (\$240,000/\$1,000,000) 24%  
Program direct salaries \$100,000

Program indirect costs (24% x \$100,000) \$24,000

### Direct Allocation Method

This method can also be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all costs except general administration and general expenses are treated as direct costs. Joint costs for depreciation, rental, facilities maintenance, telephone, and other similar expenses are prorated individually to each direct activity on a basis appropriate for that type of cost.

The remaining costs, which consist exclusively of general administration and general expenses are then allocated using the simplified allocation method previously discussed.

### Multiple Base Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs in varying degrees. Using this method, indirect costs are grouped to permit allocation of each grouping on the basis of the benefits provided to the major functions. Each grouping is then allocated individually using the basis most appropriate for the grouping being allocated.

## 2.4 Cost Allocation Plan

If the CONTRACTOR has a negotiated indirect cost rate approved by a federal agency, it shall submit a copy of the approval letter when requested by County.

If the CONTRACTOR does not have a negotiated indirect cost rate, CONTRACTOR shall submit an annual Agency-wide Cost Allocation Plan when requested by County. The Cost Allocation Plan shall be prepared in accordance with County instructions and the applicable OMB Circular and include the following information:

1. CONTRACTOR general accounting policies:
  - Basis of accounting (cash or accrual)
  - Fiscal year
  - Method for allocating indirect costs (simplified, direct, multiple, negotiated rate)
  - indirect cost rate allocation base
2. Identify the CONTRACTOR's direct and indirect costs (by category) and describe the cost allocation methodology for each category.
3. Signature of CONTRACTOR management certifying the accuracy of the plan.

### Negotiated Indirect Cost Rates

Agencies have the option of negotiating an indirect cost rate or rates for use on all their Federal programs. The CONTRACTOR must submit a cost allocation plan to the federal agency providing the most funds to the

organization. The approved indirect cost rate is then applied to the total approved direct cost base.

If CONTRACTOR has a federally approved indirect cost rate, CONTRACTOR shall submit a copy of the approval letter to county upon request.

#### **D. UNALLOWABLE COSTS**

OMB Circulars address the allowability of a variety of different costs. For all costs, there are certain restrictions and limitations; however, the following costs are not allowable under any circumstances:

- Bad debts
- Contingency provisions
- Contributions and donations
- Fines and penalties
- Fundraising activities
- Interest expense (unless expressly allowed by Federal guidelines)
- Losses on other awards

#### **E. OVERPAYMENTS**

If upon audit, or at any time during the Agreement year, it is determined that invoices submitted to the County and used as a basis for payments to the CONTRACTOR were inaccurate, County shall determine the total overpayment and require the CONTRACTOR to repay County. The County may withhold payments from CONTRACTOR's future payments for any amounts not returned to the county or credited to the Contract unless otherwise prohibited by State or federal regulations.

#### **F. MISCELLANEOUS REQUIREMENTS**

##### **1.0 Insurance**

CONTRACTOR is responsible for securing and maintaining insurance coverage as required by the Agreement. CONTRACTOR must notify County when insurance is revoked, reduced to a level or coverage less than required, or otherwise made ineffective.

Insurance shall include an endorsement naming the county as an additional insured.

##### **2.0 Activity**

No funds, materials, property, or services contributed to the county or the CONTRACTOR under this Agreement shall be used in the performance of any political activity, the election of any candidate, or the defeat of any candidate for public office.

Department of the Treasury  
Internal Revenue Service  
Notice 1015

EXHIBIT H

Have You Told Your Employees About the Earned Income Credit (EIC)?

**What Is the EIC?**

The EIC is a refundable tax credit for certain workers.

**A change to note.** Workers **cannot** claim the EIC if their 2000 investment income (such as interest and dividends) is over \$2,400.

**Which Employees Must I Notify About the EIC?**

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on **Form W-4**, Employee's Withholding Allowance Certificate.

**Note:** You are encouraged to notify each employee whose wages for 2000 are less than \$31,152 that he or she may be eligible for the EIC.

**How and When Must I Notify My Employees?**

You must give the employee one of the following:

s The IRS **Form W-2**, Wage and Tax Statement, which has the required information about the EIC on the back of **Copy B**.

e A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.

9 **Notice 797**, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).

9 Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2001.

You must hand the notice directly to the employee or send it by First-Class Mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice by calling 1-800-829-3676. You can also get the notice from the IRS Web Site at [www.irs.gov](http://www.irs.gov).

**How Will My Employees Know If They Can Claim the EIC?**

The 2000 instructions for Forms 1040, 1040A, and 1040EZ, and **Pub. 596**, Earned Income Credit, explain who can claim the EIC. Generally, any employee who meets the following requirements may be able to claim the EIC for 2000.

**Note:** An employee **cannot** claim the EIC if he or she files *Form 2555* or *Form 2555-EZ* (relating to foreign earned income). Also, an employee who is a nonresident alien for any part of 2000 cannot claim the EIC unless he or she is married to a U.S. citizen or resident and elects to be taxed as a resident alien for all of 2000.

The employee's 2000 earned income and modified adjusted gross income are both under \$27,413 (under \$31,152 if the employee has more than one qualifying child; under \$10,380 if the employee does not have a qualifying child). **Earned income** for this purpose does not include amounts paid to inmates in penal institutions for their work.

\* The employee's filing status is any status **except** married filing a separate return.

\* The employee (and the employee's spouse if filing a joint return) is not a qualifying child of another person.

\* For an employee without a qualifying child, the employee is at least age 25 but under 65 at the end of 2000. Also, no one may be entitled to claim the employee as a dependent and the employee's home must be in the United States for over half of 2000. If the employee is married filing a joint return, other rules apply.

**How Do My Employees Claim the EIC?**

Eligible employees claim the EIC on their 2000 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2000 and owes no tax but is eligible for a credit of \$797, he or she must file a 2000 tax return to get the \$797 refund.

**How Do My Employees Get Advance EIC Payments?**

Eligible employees who expect to have a qualifying child for 2001 can get part of the credit with their pay during the year by giving you a completed Form W-5, Earned Income Credit Advance Payment Certificate. You must include advance EIC payments with wages paid to these employees, but the payments are not wages and are not subject to payroll taxes. Generally, the payments are made from withheld income, social security, and Medicare taxes. For details, see Pub. 15, Employer's Tax Guide.

(Rev. October 2000)

Notice 1015  
(Rev. 10-2000)

**AMENDMENT TWO TO AGREEMENT NUMNBER 72545  
COMPUTER ASSISTANT TECHNICIAN SERVICES**

**COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM  
APPLICATION FOR EXCEPTION AND CERTIFICATION FORM**

The County's solicitation for this contract/purchase order (Request for Proposal or Invitation for Bid) is subject to the County of Los Angeles Contractor Employee Jury Service Program (Program) (Los Angeles County Code, Chapter 2.203). All bidders or proposers, whether a contractor or subcontractor, must complete this form to either 1) request an exception from the Program requirements or 2) certify compliance. Upon review of the submitted form, the County department will determine, in its sole discretion, whether the bidder or proposer is excepted from the Program.

<b>Company Name:</b>		
<b>Company Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip Code:</b>
<b>Telephone Number:</b>		
<b>Solicitation For (Type of Goods or Services):</b>		

**Complete Part I or Part II below, as appropriate.**

**Part I - Application for Exception From the Program**

I request an exception from the Program for the following reason(s) (check the appropriate box(es) and attach documentation that supports your claim):

- ☐ My business does not meet the definition of "contractor," as defined in the Program," because my business has not received an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts (this exception is not available if the contract/purchase order itself will exceed \$50,000 in any 12 month period). I understand that the exception will be lost and I must comply with the Program if my revenues from the County exceed an aggregate sum of \$50,000 in any 12-month period.
- ☐ My business is a small business as defined in the Program. It 1) has 10 or fewer employees; and, 2) has annual gross revenues in the preceding twelve months which, if added to the annual amount of this contract, are \$500,000 or less; and, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined below. I understand that the exemption will be lost and I must comply with the Program if the number of employees in my business and my gross annual revenues exceed the above limits.

**"Dominant in its field of operation"** means having more than 10 employees, including full-time and part-time employees, and annual gross revenues in the preceding twelve months, which, if added to the annual amount of the contract awarded, exceed \$500,000.

**"Affiliate or subsidiary of a business dominant in its field of operation"** means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

- ☐ My business is subject to a Collective Bargaining Agreement (attach agreement) that expressly provides that it supersedes all provisions of the Program.

**OR**

**Part II - Certification of Compliance**

My business has and adheres to a written policy that provides, on an annual basis, no less than five days of regular pay for actual jury service for full-time employees of the business who are also California residents, or my company will have and adhere to such a policy prior to award of the contract.

***I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.***

<b>Print Name:</b>	<b>Title:</b>
<b>Signature:</b>	<b>Date:</b>

**COMPUTER ASSISTANT TECHNICIAN SERVICES  
AMENDMENT TWO TO AGREEMENT NUMBER 72545**

**Los Angeles County Code Sections 2.203.010 through 2.203.090  
“Contractor Employee Jury Service”**

**2.203.010 Findings.**

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

**2.203.020 Definitions.**

The following definitions shall be applicable to this chapter:

A. “Contractor” means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.

B. “Employee” means any California resident who is a full-time employee of a contractor under the laws of California.

C. “Contract” means any agreement to provide goods to, or perform services for or on behalf of, the county.

D. “Full time” means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard as determined by the chief administrative officer.

E. “County” means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0015 § 1 (part), 2002)

**2.203.030 Applicability.**

This chapter shall apply to contractors who enter into contracts that commence two or more months after the effective date of this chapter. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence two or more months after the effective date of this chapter. (Ord. 2002-0015 § 1 (part), 2002)

**2.203.040 Contractor Jury Service Policy.**

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees’ regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

## **2.203.050 Other Provisions.**

A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

## **2.203.060 Enforcement and Remedies.**

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

## **2.203.070. Exceptions.**

A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.

B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:

1. Has ten or fewer employees during the contract period; and,
2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

## **2.203.090. Severability.**

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)